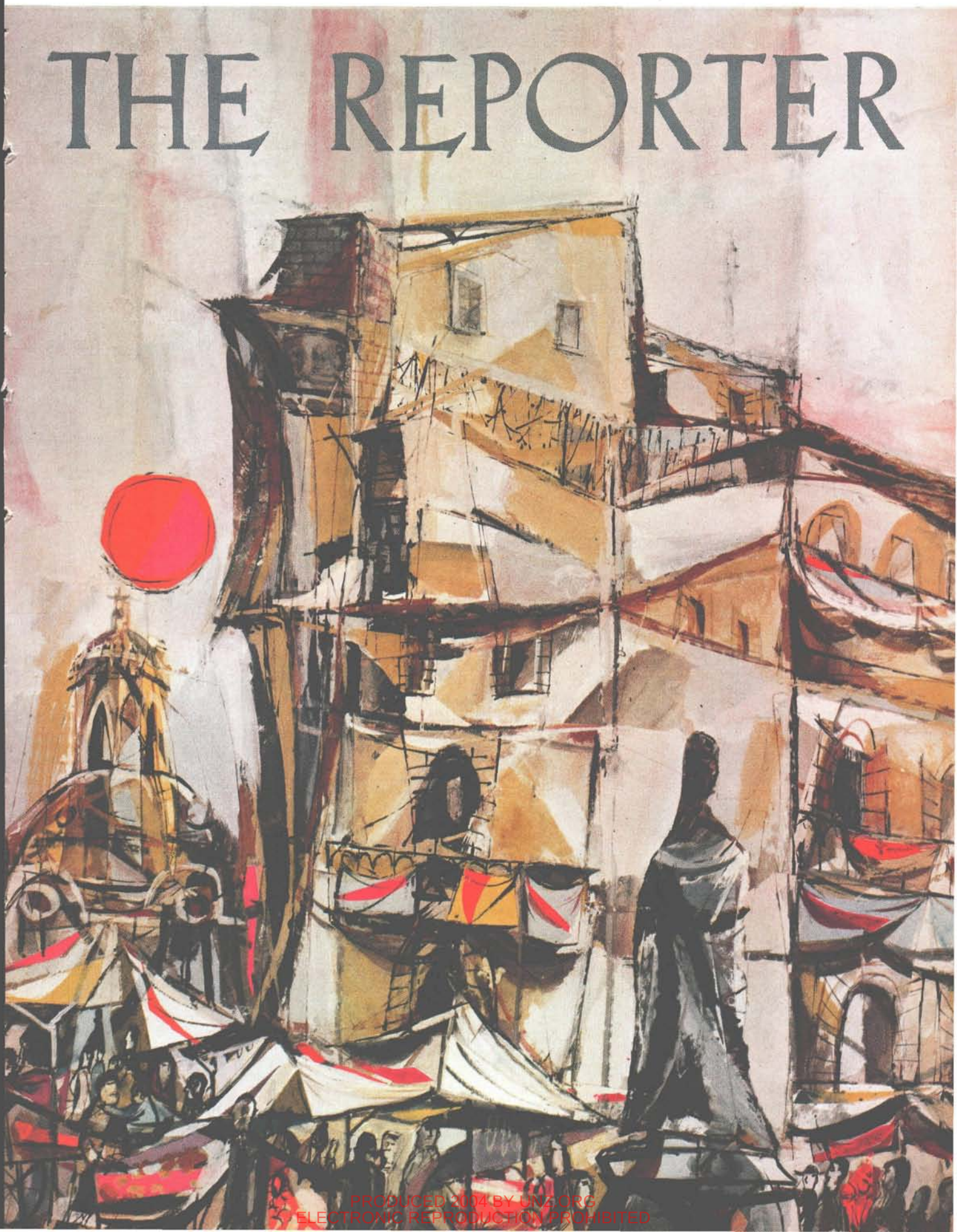
Aid, Trade, and the Business of America

DC March 20, 1958 25¢

MATTEI THE CONDOTTIERE (page 20)

THE REPORTER



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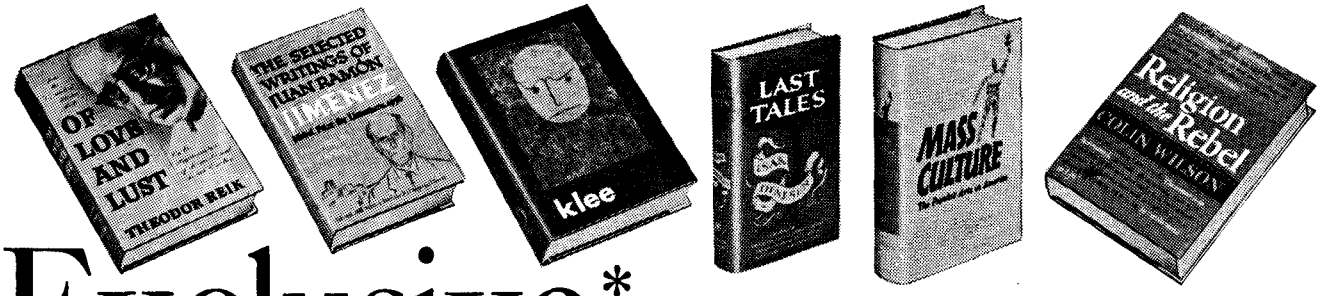

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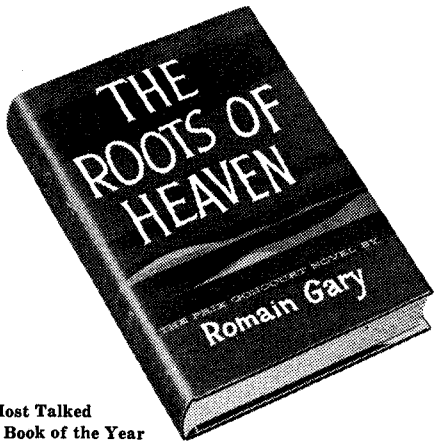

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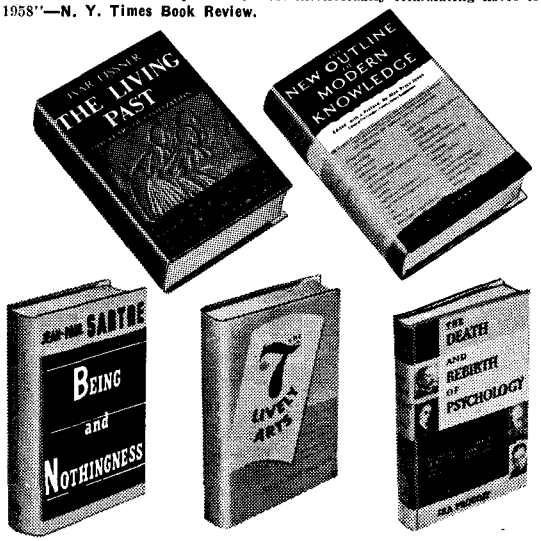
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THE REPORTER'S NOTES

You the People

So great is President Eisenhower's faith in "the people" that twice in six months he has elected them to right the nation's economy. Worried about inflation last fall, the President knew precisely where to turn to get something done. "I am not advocating any buyers' strike," he suggested, "but I do know this, we should buy selectively and carefully . . . We should not be spending recklessly and adding fuel to this flame." Then, March 5, with the recession obvious enough to be called a recession even in Republican circles, Mr. Eisenhower again appealed to the people for relief: "I believe, of course, that the upturn in our economy will be the result of millions of citizens making their purchases, having greater confidence."

With prices still rising, in spite of the slump, the inept population doesn't quite know which course to pursue. Should they spend freely—not always easy when one is unemployed or about to be—in order to produce a business upswing? Or should they squeeze a dollar long enough to force down what seems to be a rigged price structure? The decision is difficult, but in the Eisenhower philosophy what are "the people" for if not to solve the technical problems of a humble and unsophisticated government?

For a Chief Executive to impose responsibility in such far-reaching affairs upon 531 untrained congressmen might open him to a charge of passing the buck, but to bestow it on 170 million expert citizens is surely nothing more than simple democracy.

The Golden Key

In an eloquent attempt "to put an end to this silly and derisive national joke about intellectuals," James Reston, the Washington correspondent of the New York *Times*, recently gave his readers an impressive listing of "Phi Beta Kappas who have had something to do with the affairs of this city." They included five of the last nine Presidents of the United States. It's not at all difficult to see why Taft and Wilson were given keys, and if you think about it for a minute you can imagine Coolidge as a diligent if not a particularly inspired student. But frankly we were rather surprised to learn that two Harvard boys named Roosevelt had made it.

WE HAVE LOOKED into the matter briefly, and it turns out that we had been deceived by Teddy's compulsive muscle flexing: he ran up quite a distinguished academic record. The grades of his young cousin Franklin, however, averaged out just barely on the sunny side of what is known along the banks of the Charles as "the gentlemanly C." His attitude toward scholarship while he was at Harvard was succinctly summed up in a letter to his mother: "The courses will do me lots of good whether I get B or D in them, and to do the former would make me work so hard that I could not do justice to my senior year." His major efforts at the time were devoted to the *Crimson*, and as president of the paper he wrote vigorous editorials demanding more adequate fire protection in the dormitories and calling for "aggressive, vigorous determination" on the football team. Although young Franklin was considered sufficiently bookish by his friends to be elected librarian of both the Fly Club and the Hasty Pudding Institute, the Phi Beta Kappa key to which Mr. Reston refers was awarded many years later and was distinctly an honorary one.

We have not recited these details out of any loutish desire to belittle F.D.R. or Phi Beta Kappa. We have great respect for both. What we would like to suggest is that there is really no way of measuring all the intellectual benefits Roosevelt derived from his years at Harvard. One can examine the grades he got from Kittredge, Irving Babbitt, and Frederick Jackson Turner, but how can one judge what it meant simply to be in the same academic community with Santayana and William James, in whose courses he was never enrolled? There may even have been some truth in that letter the young man wrote to his mother.

We are disturbed not only by the anti-intellectualism Mr. Reston deplores but also by some of the antidotes that are being prescribed these days. Nearly everybody knows that the "joke about intellectuals" isn't so funny any more, and as a matter of fact the pendulum seems to be swinging pretty far in the other direction. It may be a good idea to make our young people study harder and take more science, but we would argue that most of the screws that need tightening are at the high-school level and earlier rather than in our colleges, at least in good ones.

SPEAKING for one of the best of them, President Pusey of Harvard makes the following observations in his annual report:

"In recent weeks there has appeared in the United States a new troubled concern about education. There is a widespread feeling in America at the moment that we have left undone in this area things which we ought to have done. Specific points of complaint are that our educational system has been too lenient in its demands upon students, and, of more urgent importance, that it has failed to produce enough scientists and engineers, especially enough top scientists and engineers, to have kept America's technological supremacy unchallenged. . . . Harvard men may well be wondering if there is a mandate here for further change at Harvard.

"I hope it will not be considered pharisaical of me if I say at once that

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I do not believe there is. In my judgment the present times demand of Harvard neither change of direction nor new emphasis, but rather only a more assiduous application to our traditional tasks."

Not even a Yale man could disagree.

The Revelation

Breaking into testimony before the so-called Senate rackets committee, Chairman John L. McClellan uttered what seems to us, and must also have seemed to him, a gem of understatement. "Oh, my Lord," wailed the flinty Democrat from Arkansas, "are we in politics?" Yes, Senator, you are; in fact, your committee has been up to its eyebrows in politics, as you must surely know, ever since your Republican colleague, Barry Goldwater, first dreamed of exposing Walter Reuther.

Investigation of the Teamsters had yielded scandal and rich headlines but left the Republican members of the committee frustrated. After all, Dave Beck was a Republican himself, and the expulsion of Jimmy Hoffa and his whole union only left Reuther and George Meany, political kingpins of the labor movement, looking more virtuous than ever. For months McClellan's Republican committee colleagues, especially Goldwater, Karl Mundt, and Carl Curtis, had hinted darkly of skulduggery by the United Automobile Workers in the four-year-old Kohler strike in Wisconsin. If Reuther were stripped of his reputation, organized labor, and through it the Democrats, would be hurt.

Unhappily for Senator Goldwater, no trace of corruption was uncovered by committee investigators, and the closer the day of reckoning approached, the less ecstatic he seemed to be about it. Robert Kennedy, the committee's counsel, had arranged to have the company's president and Walter Reuther as lead-off witnesses. With Reuther waiting in the wings and champing to do battle, Messrs. Goldwater, Curtis, and Mundt backed away and after days of wrangling forced the committee to drop him to the bottom of the witness list. Since there was no corruption in sight, the strategy was to build up a sworn record of violence on the picket line and then let Reuther, weeks later, explain the savage behavior of his troops.

As it happened, however, among the very first witnesses was a former sheriff who had been "bounced," he said, from the Republican Party for refusing to use firearms against the strikers. And who had urged him to what he regarded as this unnecessary violence? The county chairman of the G.O.P. It was at this point that the Democratic chairman realized that his committee was not a court of law. Indeed, we know a few cynics who feel that all of the committee members are politicians.

The Not-So-Retiring Farmer

Another painless solution to the farm problem has been unceremoniously buried by Mr. Benson. This one was a test-tube baby and was exceptionally short-lived.

Last December 10 Mr. Benson announced a new scheme under which he invited farmers to name the size of the annual government check that would induce them to retire their entire farm from production for a period of at least five years. Their only obligation would be to put a grass or tree cover on their land, but the government would ease this burden, too, by footing eighty per cent of the bill for the cost of such conservation practices. The program was open for participation in only four states, to test farmers' reaction.

Offhand, it seemed like a better idea than paying a farmer to take some of his land out of production and then paying him some more for the surpluses in the form of record crops produced with increased effort on the remaining acreage. The farm-retirement scheme at least recognized the fact that the number of acres under cultivation may not be the only cause of surpluses in agriculture.

Alas, this new and perhaps useful program has already been abandoned. Only a week after bidding time closed in three out of the four states, the Department of Agriculture announced that it had rejected all bids. Reason: the bulk of the rentals requested by the applying farmers were too high, and the reasonable ones were too few to start a program.

This was not the way Mr. Benson had figured it, though the shortage of off-the-farm jobs and excellent prospects of continued high farm price supports should have suggested to him that farmers would hardly offer their land for less than what they needed to live a decent life of retirement.

Aid to the Generalissimo

Foreign aid sometimes takes novel forms. Senator John J. Williams (R., Delaware) in a recent Senate speech brought out that the Lock Joint Pipe Company of East Orange, New Jersey, claimed and got tax deductions of some $1,700,000 paid in "bribes and kickbacks" contracts over a seven-year period to Generalissimo Trujillo and other officials of the Dominican Republic. The company called these necessary business expenses. Given the circumstances, its position is certainly persuasive; but, as Senator Williams points out, the fact remains that to the extent these bribes and kickbacks are deductible, they "are underwritten by the American taxpayers."

SMACK

I am taken aback
  by the sack;
filled with unease
  by the chemise.
They cloak
  a pig in a poke,
provoke alarms
  at the disguise of charms
dear to the male. Enshroud
  the contours proud
while they expose
  hose—and knees
that fail to please.

Why then must we
  submissively
accept the sack
  because some maniac
couturiers in Paris lack
  a love of form?
Pervert the female norm
  so they can sell
a gunny sack, a funny sack, a
  dressmaker-in-the-money sack
that looks like
  hell?

—SEC

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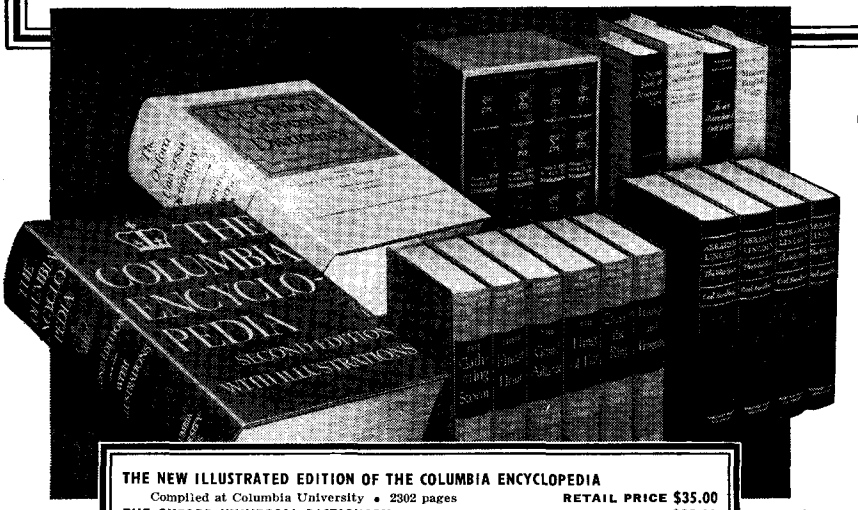

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CORRESPONDENCE

THE EDUCATION PROBLEM

To the Editor: Your editorial entitled "Our Cut-Rate Education" (*The Reporter*, February 20) should be read widely by leaders in American thought. Moreover, Andrew R. MacAndrew's article "Are Soviet Schools Better Than Ours?" in the same issue is one of the most factual, comprehensive treatments of the subject I have seen.

HUGH C. BRYAN
Superintendent of Schools
Leavenworth, Kansas

To the Editor: With so much being written and said these days about Soviet education, it is especially helpful to have articles of the caliber of those in your February 20 issue.

A. L. PUTNAM, Chairman
College Mathematics Staff
University of Chicago

To the Editor: We are greatly indebted to you for your editorial, which has focused the nation's attention on the tragic situation in which American education finds itself. You have done this in a most effective way, and I would that it were required reading for every congressman, every legislator, the President and all the governors, as well as members of the nation's school boards.

VIRGIL M. ROGERS
Dean, School of Education
Syracuse University

To the Editor: I am happy to see *The Reporter* concentrate on this subject, as I feel the more discussion and interest we can arouse on this problem the more we will promote action and an attempt, at least, in the solution of it.

ELMER J. HOLLAND, M.C.
House of Representatives
Washington, D.C.

To the Editor: Your editorial is a forthright and moving statement of some of the reasons for the present weaknesses among our educational institutions.

Although our society has not been willing to create the financial support which a superior educational system demands, it is the belief of many educators that lack of financial support is not the crucial factor.

It is thus debatable whether or not poor financing has had anything to do with the lowering of standards in the public schools, with the consequent reduction of standards in many institutions of higher education.

Sadly, it is the professional educators—the educationists—who have been largely responsible for de-emphasizing the more solid content subjects in our school and college curricula. At the same time, they have been successful in raising the number of courses in techniques and methodology for prospective public-school teachers. This has been done in the name of "modernizing" our educational system, and would have occurred regardless of the degree of financial support available.

EDGAR C. CUMINGS
Dobbs Ferry, New York

To the Editor: Your editorial is a lucid account of some of the problems facing education. Increased financial support is imperative if we are to maintain our educational standards, let alone improve them.

If Federal support is agreed upon as being necessary, the very serious problem of possible associated Federal control of education is raised. How can this danger be eliminated? I would like to propose that the following suggestion be seriously explored as a first step: let Congress pass a bill to exempt teachers' salaries from Federal income tax.

There are about 1,100,000 teachers in the United States, and the total of their annual Federal income taxes is probably of the order of a billion dollars. Such a bill, therefore, would pledge Federal support of this amount; would apply it uniformly to all teachers; would eliminate the possibility of Federal control of education; would allow Federal support of education without the necessity of setting up additional machinery in the Federal government. In fact, administratively there would be a savings to the government, as fewer income-tax returns would have to be processed!

The principle of tax exemption is recognized with respect to the physical facilities of educational institutions, as well as to their incomes. I would propose that this exemption be extended to the salaries paid by these institutions to the individual teachers. This would result in all teachers' incomes being effectively increased by about twenty per cent and might begin to make the teaching profession something to be sought after.

HAROLD LURIE
Associate Professor
of Applied Mechanics
California Institute of Technology

To the Editor: May I ask whether, in connection with your fine editorial on education, you considered the proposal put forward in January by Robert Heller, chairman of the National Citizens Council for Better Schools? Mr. Heller suggested that taxpayers be allowed to deduct from the final sum they pay annually to the Federal government as income tax any increase over present rates in state and local school taxes. This scheme would amount to Federal aid in terms of money, but would not involve the Federal control or bureaucratic expansion which many citizens and legislators fear.

You call in your editorial for large-scale Federal financing "so sterilized as to make as difficult as possible any attempt at unrestricted control by the Federal government," and I wonder if the Heller plan might not meet this requirement.

JULIA DEHL
New York

(It certainly would help, but I doubt if it would be enough.—M.A.)

THE LIMITS OF MODERATION

To the Editor: May I congratulate Harold R. Isaacs on the perceptiveness of his review of Harry Ashmore's *An Epitaph for Dixie* ("In Little Rock He's a 'Controversial Figure'") in your January 23 issue. Mr. Isaacs's appraisal of Mr. Ashmore's excellencies seemed to my husband and myself among the best we had seen—and his analysis of the dilemma the book implicitly dramatizes is unique among the reviews we have read.

One of the greatest needs in the Southern, indeed the national, situation today is the need for a clear analysis of that "temporary shelter" termed "moderation." I am glad that the readers of one national magazine at least have had this called to their attention.

WILMA DYKEMAN STOKELY
Newport, Tennessee

AN AMUSING BLUNDER

To the Editor: The writer of *The Reporter's* Note "Our Man" in your issue of February 20 seemed to be quite indignant about Premier Bulganin's "blunder" in mentioning "the biased position of certain possible participants in a ministerial conference." I have no doubt that the reaction in Congress and in the press was "unanimous and furious," but I suspect that, as usual, the fury was confined largely to these two segments of our population. I, for one, was simply amused and, in fact, was rather pleased by the Premier's candor; I was annoyed only by the childish reaction to it in Washington.

HALLEN M. BELL
Birmingham, Michigan

MISSILES AND FOREIGN AID

To the Editor: The article by Paul Jacobs "Pilots, Missilemen, and Robots" in the February 6 issue of *The Reporter* was brought to my attention because of the reference to the Sidewinder missile. I enjoyed the article very much, as well as Robert C. Albrook's "How Good Are Our Missiles?" and Henry S. Reuss's "Foreign Aid: Misspent, Mislabeled, and Misunderstood." It seems to me that the viewpoints are well taken and unusually clear and thought-provoking.

I would like to wish you good luck in your efforts to unscramble fact from fiction in these very confusing times.

WILLIAM B. McLEAN
Technical Director
U.S. Naval Ordnance Test Station
China Lake, California

COLD WAVES

To the Editor: I see in your "Who-What-Why" column of February 6 that Lois Phillips Hudson is now a California housewife; that explains why she has to hearken back to her childhood to remember "The Cold Wave" in North Dakota. My thermometer was running thirty and even forty below this February, which may not be quite as bad as the legendary "fifty-two below in Bismarck" Mrs. Hudson talks about—but which is plenty cold enough for me. Furthermore, they tell me that only a year ago January it hit fifty-four below over in West Yellowstone, Montana.

Be that as it may, I must admit that Mrs. Hudson's tender recollections of childhood on the farm did warm the heart of this old farmer.

S. P. CARTER
Bismarck, North Dakota

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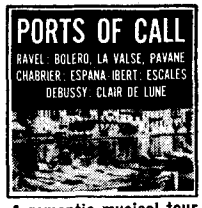

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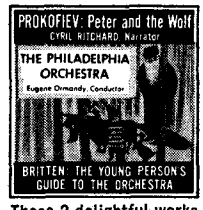
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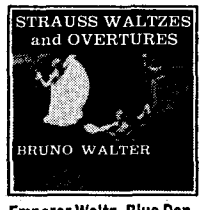

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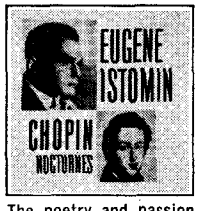

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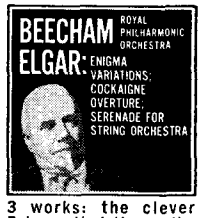

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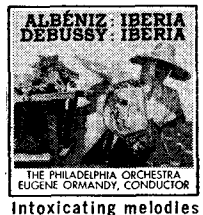

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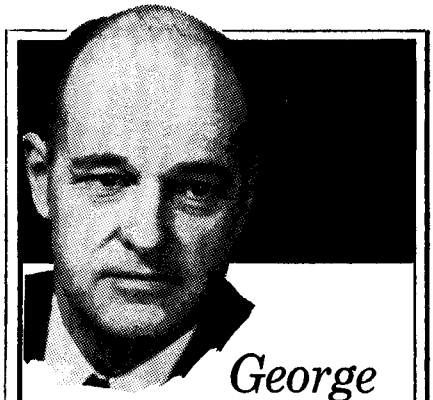

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WHO— WHAT— WHY—

THE FAMOUS saying of Calvin Coolidge's that "The business of America is business" makes better sense than the devotees of that by now nearly legendary President ever dreamed. The business of America *is* to stimulate and foster ever-increasing production, exchange, and utilization of goods all over the world. This is what business means; and how business is run or what may be the reward that managers get are matters of secondary importance. As a people, we believe in the profit system, if for no other reason than that the loss system doesn't make sense. We believe, however, that no profit system is as cruel as that in which ownership, management, and labor are concentrated in an all-powerful state and an all-powerful party. We take a distinctly jaundiced view of this way of running business; we are skeptical of its effectiveness, and we are convinced that it will come to no good end.

In consequence it stands to reason that we should foster business in those parts of the world where it has not been sufficiently developed, just as we foster it wherever it is booming or likely to boom. Yet our ideas about business get fuzzy at the water's edge, and so we need to be sold over and over again on the idea of foreign assistance—even when it is obvious that the development of business abroad is just about as important to us as was our western advance across the continent. We have been harping editorially and in articles on these ideas; certainly we shall continue to harp on them, with greater and greater emphasis, in the future.

As **Eric Sevareid** points out, the Washington gathering of February 25 was a most unusual event. We add, regretfully, that if the nation's leadership had been *really* united, if the President had consented to sit at the same table with Harry Truman, and if the two men had addressed the nation on the same TV program, the prospects for foreign aid and reciprocal trade would now be incomparably better. And Mr. C. Douglas Dillon, whose admirable efforts are described in considerable detail by **Sidney Hyman** in this issue, would not be facing so difficult a task. Mr. Hyman is the author of *The American President* (Harper).

Advance toward an economic unification of Europe can be rightly hailed as a major postwar American achievement. The prospects are described by **Ken Miller,** who has spent the last six years overseas with the United Press and the *Wall Street Journal.* Mr. Miller, who believed in the cause of the European Common Market when it was no more than a gleam in a minister's or a professor's eye, has been following the tumultuous and creative revolution of the project from the very start.

OUR Mediterranean correspondent, **Claire Sterling,** reports on another booming business activity in Europe, one which is being pushed ahead by that extraordinary Italian *condottiere,* Enrico Mattei. . . . **William S. Fairfield,** long a contributor to *The Reporter,* has now joined our staff. His article also concerns a *condottiere*—this time of the quixotic type—who has recently taken on an exuberant number of enemies, and windmills. Dr. Bernard Schwartz, however intemperate, may yet turn out to be something of a prophet. . . . **James A. Maxwell,** who frequently contributes from the Midwest, recently visited the automobile town of Flint, Michigan. . . . The latest adventures of President Nasser are reported by our regular correspondent, **Ray Alan.**

Vladimir Nabokov's two most recent books are *Lolita,* published in Paris, and *Pnin,* published by Doubleday. . . . **Morris Philipson** is an instructor in philosophy at Hunter College. . . . **Maya Pines** is the author of *Retarded Children Can Be Helped* (Crown). . . . **Alfred Kazin** is the author of *On Native Grounds* (Harcourt, Brace). . . . **Nora Sayre** is a free-lance writer now living in England. . . . **Al Newman** is a former staff member.

Our cover, an impression of southern Italy, is by **Fred Zimmer.**

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Mr. Dillon and the Fight For Foreign Aid

SIDNEY HYMAN

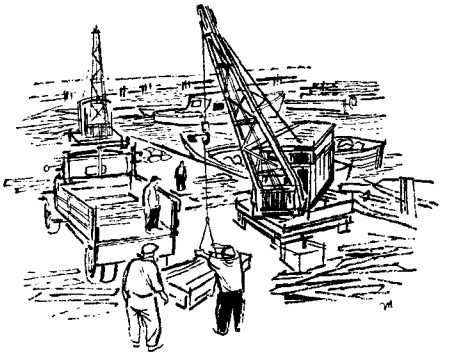
CLARENCE DOUGLAS DILLON, the Deputy Under Secretary of State for Economic Affairs, is a tall, clear-eyed, boyish-looking man of forty-eight who enjoys whatever work he throws himself into. Intimates say that this was also true of him on Wall Street, where at an early age he was made the chairman of the board of Dillon, Reed, his father's investment firm. They say it was also true when he served as President Eisenhower's ambassador to France. And it has certainly been true in his present post, which he assumed a year ago. Dillon offers a refreshing contrast to the Wailing Wall attitude struck by other figures in the Eisenhower administration, who lament the "personal sacrifices" they are making to serve the government. There is no trace of any such self-pity in Dillon. He gives the appearance of a man who has lost all interest in making another extra million in private business and who envisions public service as a chance to use his creative talents on the grandest of all scales. Moreover, since this attitude is combined with a vigorous intelligence and an aptitude for hard work, it is not surprising that whenever Dillon's name is mentioned he is spoken of invariably as one of the most promising officials to come to the fore during President Eisenhower's second term.

Diplomat on the Hill

Of the three salient achievements that now stand to Dillon's credit, the first was the precedent-setting Polish loan in 1957.

When the Gomulka régime first appealed to the United States for economic assistance, Secretary of State Dulles and Under Secretary of State Herter were both disposed to grant aid of some sort. However, they feared that if it was necessary at any point to go to Congress for enabling legislation and if Congress took the occasion to make known its opposition to the whole idea of a Polish loan, the effect might be to drive Poland back to hopeless dependence on the Kremlin.

Dillon was well aware of this danger. But he felt that there was a good chance to overcome it if the State Department, in any necessary approach to Congress, were to come



armed with political reinforcements quietly drawn from two sources. One was the farm-state representatives, who could see in the terms of the Polish loan a means of reducing some of the huge agricultural surpluses the U.S. government had on hand. The other was the Polish community in America, and Catholic sentiment in general—both of which favored helping the distressed Poles despite their Communist government.

In the end, Dillon was entrusted with the negotiations incident to the loan. When the matter was unavoidably drawn into the Congressional forum, his deft political management carried the project through to a triumphant legislative endorsement; so triumphant, in fact, that this year's loan to Poland faced no real opposition.

Under Secretary Dillon's second salient achievement was in getting the 1957 session of Congress to accept in principle—if not altogether in fact—a new foreign-aid concept represented by the establishment of the Development Loan Fund. The general aim was to provide a fund of sufficient size without annual appropriations strings, so that projects in underdeveloped areas could be planned and executed on a long-term basis. Moreover, the lending policy of the Fund was meant to be less stringent than the lending policies of the World Bank and the Export-Import Bank.

DILLON'S third achievement was the key role he played in the complex negotiations that were successfully concluded on January 30 among representatives of the U.S. and French governments, the European Payments Union, and the International Monetary Fund. The purpose here was to provide effective support for the long-term program undertaken by France to eliminate inflation, to achieve equilibrium in the French balance of payments, and to restore stability in France's internal and external financial condition. To these difficult negotiations Dillon brought the invaluable store of knowledge about the French economy he had acquired in the course of his career both as a man of international finance and as an ambassador to France. He was able to help arrange the U.S. government contribution to the French stabilization program in such a way as to prove

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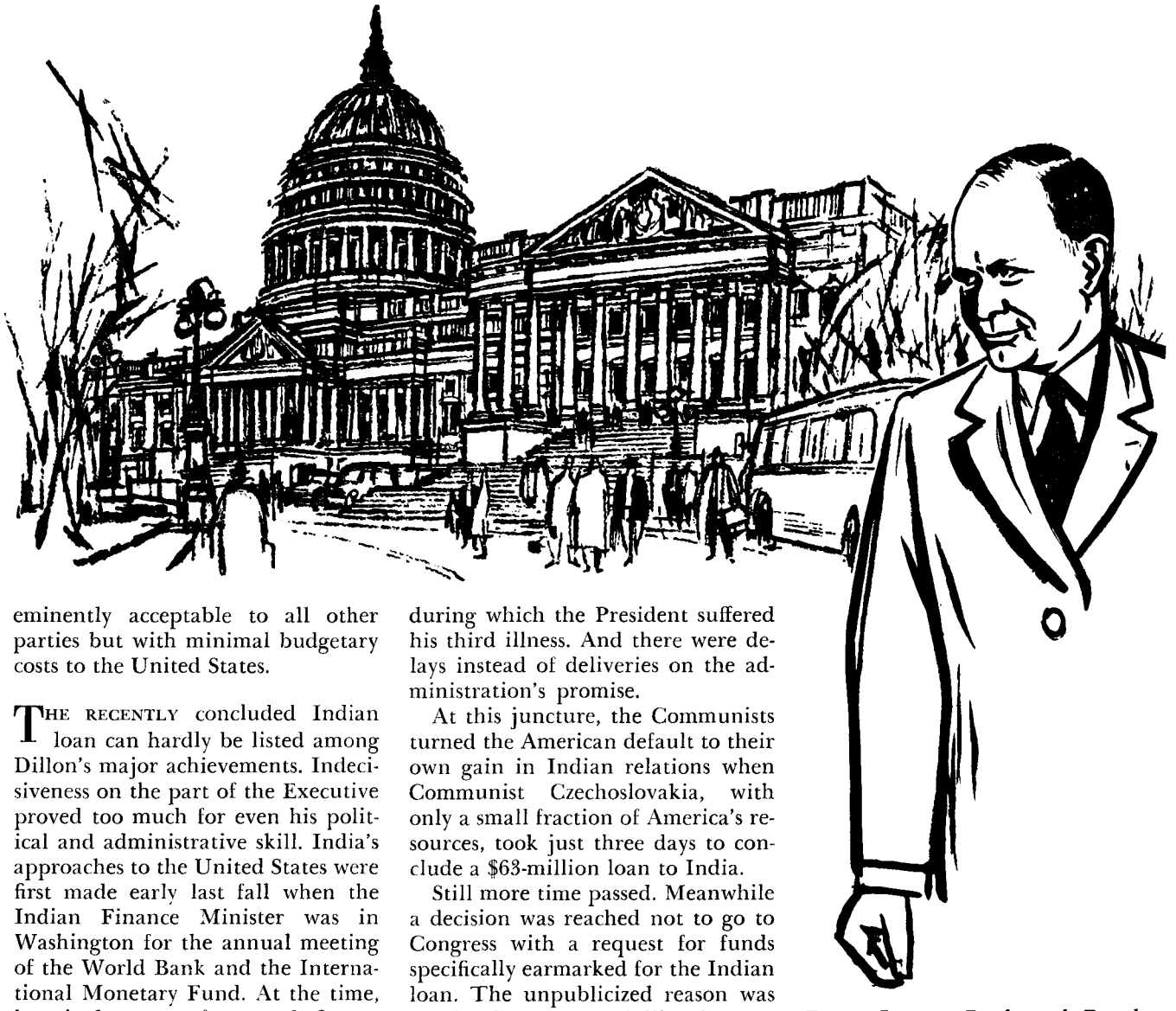

eminently acceptable to all other parties but with minimal budgetary costs to the United States.

THE RECENTLY concluded Indian loan can hardly be listed among Dillon's major achievements. Indecisiveness on the part of the Executive proved too much for even his political and administrative skill. India's approaches to the United States were first made early last fall when the Indian Finance Minister was in Washington for the annual meeting of the World Bank and the International Monetary Fund. At the time, he cited cogent facts and figures showing why India needed $1.4 billion in foreign exchange from the West during the next three years to help rescue India's second five-year plan of industrial development. Of the total, the hoped-for share to be provided by the United States was put at around $500 million.

The granting of such a sum at any one time would require legislative action. Since Congress was not then in session, the Indians understood that action on the full request would have to await Congress's return to Washington in January. Meanwhile, however, the administration made a firm promise to use certain funds on hand for stopgap credits to India. The amount promised was relatively small, but was welcomed nonetheless by India because the need was urgent. Weeks and months passed, during which the President suffered his third illness. And there were delays instead of deliveries on the administration's promise.

At this juncture, the Communists turned the American default to their own gain in Indian relations when Communist Czechoslovakia, with only a small fraction of America's resources, took just three days to conclude a $63-million loan to India.

Still more time passed. Meanwhile a decision was reached not to go to Congress with a request for funds specifically earmarked for the Indian loan. The unpublicized reason was not hard to grasp. Unlike the case of the Polish loan, there were not enough Indians or Hindus in America to form an effective lobby. Moreover, while the Polish loan was not presented directly to Congress in the form of a request for new funds, the request for the Indian loan would have to be direct and explicit. But this could inspire a violent attack on Indian neutralism, followed by a possible defeat that might prove disastrous for Indian-American relations.

Accordingly, after keeping the Indians on tenterhooks, the administration finally announced that it was prepared to do the bare minimum of what it could have done all along since last fall. From existing resources, and without recourse to Congress, it has put together a dollar loan of $225 million made up of Export-Import Bank and Development Loan funds. India will also be sold $65 million in surplus wheat, the bill to be paid in rupees, eighty per cent of which the United States can reloan to India. Moreover, Senator John Sherman Cooper, our former ambassador to India, has proposed that the repayment by India of the principal and interest due on the $190-million wheat loan America made in 1951 should be renegotiated so as to permit repayment in rupees instead of dollars.

A Tough Assignment

It is now Mr. Dillon's duty to present a new foreign-aid program to Congress and to direct the day-by-day maneuvers aimed at getting a bill passed without crippling mutilations. To this task Dillon brings the prestige he has acquired since his

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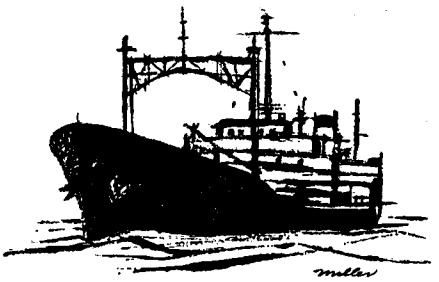
appointment. To assist him in mobilizing public opinion, the President has assigned Eric Johnston, who has been put in charge of bipartisan virtue and humanitarianism at large. Johnston's appointment was long delayed and when it came his duties were so ill defined that any man lacking his resilience would have been utterly discouraged. And it is Dillon who must bear the formal responsibility of convincing Congress that the Communist economic offensive must be counteracted with other tools than missiles.

An important segment of Congress has always preferred military to economic assistance. But unfortunately, in these days even the traditional friends of foreign aid are made hesitant by the growing distress of our economy. In Washington today one can frequently hear Congressmen with unblemished reputations for enlightened internationalism say that their primary concern must be for the unemployed voters in their own states: "The home folks are in need and they won't like it if we appropriate money for foreigners and not for them."

A detailed account of what is happening in a pocket of distress in the congressman's constituency usually follows. Of course this is an election year, and qualms about foreign assistance are thoroughly bipartisan. "Unidentified spokesmen" have let it be known that the administration was offering a guarantee that Republican Congressional candidates in 1958 would not use a vote for foreign aid cast by their Democratic opponents as a basis for campaign attack.

Moreover, as we all know, economic isolationism is spreading in the South as the result of industrialization, and in the West as the producers of raw materials feel the pinch of falling world prices for their commodities. Many a Southern and Western Democrat thinks twice before coming to the support of any kind of foreign economic policy that threatens to create new and competitive producers.

ALL THIS, however, is only part of the difficulty Dillon has to face. In confronting Congress, he must lift the concept of foreign aid from the low level to which it has fallen since 1953. This is a most difficult task, since Dillon cannot easily erase the record the administration has established. It is a record of generally decreasing Congressional appropriations. It is the record that was established by some "strong men" in the



first Eisenhower administration who were notoriously addicted to the word "giveaway." Finally, it is the record best symbolized by the appointment of John B. Hollister as director of the International Cooperation Administration (ICA)—an appointment, it has been said, for which the isolationist Mr. Hollister was as well qualified as a Jehovah's Witness would be for the job of Defense Secretary.

President Eisenhower has adhered to an established behavior pattern. Each year, when the Congressional battle was joined and when the friends of foreign aid in the Senate triumphed there while its foes triumphed in the House, the President was deaf to all appeals that he use the reserve power of the Presidency on the side of the Senate and against the House. In the end, the drastic House cuts always prevailed.

'What Happened to the Fund?'

Dillon's task will be further complicated by the embarrassing certainty that any request he makes for new foreign-aid funds will encounter the objections of numerous legislators who will deplore the delay in getting the Development Loan Fund under way as a going concern. To be sure, Dillon can properly cite any number of valid excuses for the delay. In the first place, nothing could be done until Hollister resigned on August 14 as the head of the ICA, the State Department's parent agency for the Fund. While this removed a massive obstruction, there was a hiatus before James H. Smith, a friend of Dillon and of foreign aid, was sworn in and took hold as Hollister's successor. In the second place, the designated new head of the Fund, Dempster McIntosh, was advised by the State Department to remain at his ambassadorial post in Caracas until the Venezuelan "plebiscite" of December, 1957, was held. And in the third place, President Eisenhower's illness held up the appointment of the loan committee that is the real key to the operations of the Fund.

However valid these excuses may be, the absence of any real record of performance by the Fund compromises Dillon's position. Legislators opposed on any ground to foreign aid will confront him with this kind of challenge: they will observe that while the administration put its request for the Fund at $2 billion, and while Congress under the influence of the House appropriated only $300 million for fiscal 1958, very little of even this sum has actually moved outward through the foreign-aid pipelines. From this they will go on to ask: "Why should we appropriate additional funds for foreign economic aid when so little tangible use has been made of the funds that are already available?"

INDEED the administration's desire to avoid this challenge may account for the exceedingly modest increase of the ICA budget requests for 1959—a restraint particularly remarkable considering the constant cries of alarm over the Communist economic offensive.

In this connection, it may be recalled that the State Department on January 3 released a report showing that in the last three years Communist-bloc countries had pledged (and in part delivered) $1.9 billion in military and economic aid to selected targets of opportunity in underdeveloped areas. Much of it was for development projects in Asia and the Middle East, where the conviction that living standards can and should be raised is a paramount fact of political life. Furthermore, the Communists dispensed a good deal more than we did during this period in the favorable form of long-term loans, repayable in commodities or local currencies. But even more important, the interest rates they charged—2 to 2.5 per cent—must be compared with American interest rates on foreign-aid loans ranging

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from 3 to 4 per cent on ICA loans to as much as 5.75 per cent for Export-Import Bank loans.

THIS State Department report set the stage for the President's State of the Union Message. In it he warned that if we failed to meet the massive Communist economic offensive the effect would be far more perilous than the earlier failure to appreciate the psychological impact Sputnik had on world opinion. One could have inferred from this that the administration budget request for new Mutual Security funds would be substantially greater than in fiscal 1958. Instead, the figure stands at $3.9 billion. Admittedly, this is $500 million more than Congress actually appropriated last year. But it is about $500 million *less* than the administration originally requested a year ago.

Of the total sum now requested, $2.6 billion is for military assistance and defense support in such places as South Korea, Formosa, Vietnam, and Turkey. As for the $1.3 billion earmarked for economic aid, the breakdown is $142 million for technical assistance; $625 million for the Development Loan Fund; and the other $540 million for a variety of special projects, such as the President's emergency fund, aid to refugees, U.N. programs, and cultural exchanges.

From these figures, it will be seen that the key to the difference in the reduction of the Mutual Security budget for fiscal 1959, as contrasted with fiscal 1958, is mostly the difference between the large amount requested a year ago for the Development Loan Fund and the smaller amount requested for the same purpose this year. This limitation, in turn—so it is explained—is due to an awareness that any appeal for a much larger sum would be regarded by Congress as almost a personal affront until such time as the Fund is a going concern with a record of practical usefulness that can be demonstrated.

A Divided Command

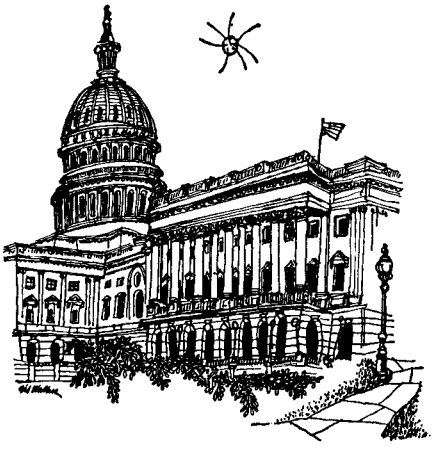
There is one final and major difficulty for Dillon. Though he bears a heavy responsibility for the ultimate fate of the foreign-aid program once the Congressional battle

A QUESTION OF STAYING POWER

ERIC SEVAREID

An extraordinary meeting was held on February 25 in Washington's Hotel Statler—extraordinary because it brought together some fifteen hundred leaders of the administration, the Congress, industry, the professions, publishing, churches and clubs and civic groups from all over the country; extraordinary because it brought to the same platform die-hard personal opponents from both political parties, including former President Truman at noon and President Eisenhower at night.

And it was extraordinary because few persons in that assembly would have thought, a year ago, that such a meeting would ever be required. But it was required because there is every prospect that the Congress of the United States, this year, will try to cut down one of the long-established pillars of American foreign policy, to turn the chief support of the free world, the world's leading creditor nation, back in the direction, at least, of isolationist economic practices. The Congressional assault on the program of technical assistance, loans, grants, and credits to allied countries, and to wavering countries where the Soviets are now hard at work—this assault, this year, is intensely serious.



That is what the meeting was directly concerned with. But behind that is another attack, the highly organized effort to increase tariffs and strip the President of his powers to lower tariffs.

This is going to be a considerable battle for the rest of this session. Increased military spending has put the squeeze on economic spending abroad—though half the speakers at the meeting pleaded for understanding that the true strategic plan of the Russians is not military attack but political and economic penetration. Evidence of mismanagement and waste in our programs abroad has produced the time-honored reaction in Congress, which is to slash the appropriation totals.

The struggle over trade is as severe as that over aid. Approximately forty to fifty Southern and Southwestern congressmen are the key to the outcome. They are in a box. A textile plant in a man's district may be the biggest single employer there, the biggest single contributor to his campaigns. Textile manufacturers are hurting and want the tariffs on imported textiles pushed up, no matter what effect this will have on Japan, for example. It is the same political dilemma with respect to aid abroad. One Southwestern congressman put it this way: "I've supported foreign aid for years; but cotton farmers in my state are suffering badly. How can I explain to them that I can't get Federal loans for them, but I'm going to vote to send millions to Cambodia?"

It is the traditional struggle of the immediate interests of specific domestic groups and localities against the long-range interests of America's position in the world. This year it all has the air of a showdown. And this threat of an American retreat overseas comes just as the Russians are getting into high gear with their own long-range programs of economic penetration. Implicit in every speech heard at the Statler was the fundamental question: Has the United States the intellectual and political discipline, the sheer staying power, to remain in this world-wide contest?

(From a broadcast over CBS Radio)

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is fully joined, he is beset on all sides by conflicts of departmental interest within the administration, each department asserting its own power over the character of the program and each seeking its own allies in Congress. For example, the Department of Agriculture would use foreign aid to get rid of agricultural surpluses even where their use brings an adverse result. Again, the military would keep on arming Pakistan even when this forces India to arm and thereby use up funds that are critically needed for India's internal economic development.

To be sure, within the State Department itself, Dillon's authority over the broad formulation of foreign economic policy has been strengthened with the approving support of Secretary Dulles. Also, he has a number of pressure points of influence he can use by virtue of his membership on a maze of governmental committees or organizations involved in foreign economic affairs. Besides the International Monetary Fund, the Export-Import Bank, and so on, they include an interdepartmental committee under the chairmanship of the Secretary of Agriculture that decides how agricultural surpluses can be used in foreign-aid work, the National Advisory Council on International Monetary and Financial Problems under the chairmanship of the Secretary of the Treasury, and the Council on Foreign Economic Policy under the chairmanship of Clarence Randall.

STILL, the kind of foreign-aid program entrusted to Dillon's care in the battle with Congress is a program that reflects decisions made in the White House, where interdepartmental conflicts of interest come to a head. Dillon has already been forced to acquiesce in decisions made by more highly placed men—decisions which he would not himself have made if he had enjoyed full responsibility for foreign economic policy.

One of these decisions involves the interest rates charged on loans made by the Development Loan Fund. Here the lines of force were drawn between the State Department on the one side and the Treasury on the other. To meet and overtake the Communist competitive advantage represented by long-term offerings at low interest rates of between 2 to 2.5 per cent, the State Department wanted either to reduce existing rates charged by the Fund or to empower U.S. foreign-aid officials "to make exceptions" for needy countries that cannot afford to pay the high going interest rates on these loans, which are established according to the cost of the money to the Treasury itself. The Treasury position won the official approval of the administration on January 29, with the result that though two schedules of rates have been set to differentiate between nonprofit and profit-making projects, the average comes to around 4 per cent. Dillon must support this decision.

Mr. Weeks Moves In

He also had to acquiesce in a decision whose tendency is to separate foreign-aid policies from foreign-trade policies—a separation that flies in the face of Dillon's clearly expressed conviction that the two are indivisible and should be treated as a single subject. Nevertheless, according to the terms of the White House decisions, the task of presenting the administration's case to Congress on extending the reciprocal-trade agreements has been largely entrusted to Secretary of Commerce Sinclair Weeks. Mr. Weeks, it should

be observed, comes from a protectionist background, and though he is now reported to be a convert to a more liberal trade policy, he has already shown a marked disposition to make major concessions to the protectionists.

One thing should be remembered. The process of giving greater prominence to Secretary Weeks in formulating foreign-trade policy predated Dillon's assumption of his present post in the State Department. More specifically, it began with the decision to shift the responsibility to the Commerce Department for a task that ordinarily would have fallen to State. This was the work of preparing a bill that would authorize American membership in the Organization for Trade Cooperation, an international tariff-lowering agency.

It was argued at the time that if Commerce undertook this task, it would more readily draw to its support the many American interests involved in export trade. A bill providing for American membership in OTC was in fact eventually sent from the Commerce Department to the House. But for the lack of any insistent pressure from Secretary Weeks, it never reached the point where it was accorded even the dignity of a hearing by the House Ways and Means Committee. The only practical effect was to leave Mr. Weeks in command of the administration's trade policy, by and with the consent of Mr. Dulles, who sloughed off what a Secretary of State like Cordell Hull would have clung to with his last strength. The further practical effect was to create a precedent for the selection of Mr. Weeks as the man who will now present the reciprocal-trade program to the Congress.

This precedent was stressed further when Eric Johnston was put in charge of mobilizing public opinion for the foreign-aid program but was given no mandate regarding the pending debate on foreign trade. Obviously the administration view is that Mr. Weeks can take care of himself.

'The Fact Must Be Faced'

In the campaign for the foreign-aid program, Dillon has certainly been greatly helped by the massive bipartisan assembly that Eric Johnston convened in Washington on February 25. The identity of thoughts and words among the Republican and Democratic leaders could not have been more striking. Indeed, it was superabundant. The President, Mr.

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Truman, Mr. Acheson, Mr. Stevenson, and Mr. Dulles all came out vigorously for foreign aid. That was hardly news. They all spoke at their best and they all received thunderous applause. The most powerful Congressional leaders, not yet sold on the foreign-aid program, were all invited and sat in silence at the speakers' table. To what extent the redoubtable Clarence Cannon (D., Missouri), chairman of the House Appropriations Committee, was swayed by the eloquence of his fellow Missourian Mr. Truman is still a dark mystery. The silent presence of Representative John Taber (R., New York) graced the evening gathering at which the President spoke.

But the day in, day out job of carrying foreign aid through Congress must be Dillon's. He has the assistance of a small but devoted personal staff. He knows what he wants, and what he wants is known to everyone. Perhaps his greatest strength comes from his capacity for straight talk. He provided an example of that characteristic trait in Philadelphia, on January 8. Speaking before the eleventh annual Forecasting Conference of the U.S. Chamber of Commerce, he blasted the idea that private investment abroad could readily take the place of U.S. government assistance to underdeveloped areas.

Total new U.S. private investment abroad in 1956 amounted to about $2.75 billion, of which the less developed countries of Asia and Africa received only $342 million—about one dollar in eight. The remaining seven dollars were invested in Canada, western Europe, or Latin America, all highly developed or semi-developed regions. Furthermore, the great bulk of the $342 million was concentrated in the oil-producing countries of the Middle East, leaving very little for the rest of Asia and Africa. "The fact must be faced," Dillon said, "that private capital has not yet proved willing or able to do the job in the areas of greatest need where the combat for men's minds and souls, the combat between freedom and tyranny, is today at its fiercest."

No congressman, it is to be hoped, can consider Mr. Dillon an enemy of private capital.

New Opportunities For Yankee Traders

KEN MILLER

Getting ready for the European Common Market is fast becoming a favorite occupation for a sizable segment of American business. Fifteen per cent of total United States exports are sold to the six nations involved (France, West Germany, Italy, The Netherlands, Belgium, and Luxembourg), and well over a thousand U.S.-controlled firms operate within the larger area that may ultimately be affected. The magazine *Export Trade and Shipper* calls recent developments "...a greater awakening of interest in international business opportunities than has been shown at any previous time."

Of course, the great awakening among American businessmen has not yet managed to rouse many congressmen, few of whom seem to be ardent supporters of the administration's efforts to bring the nation's tariff machinery up to date so that American traders can deal effectively with the emerging European bloc.

And it would be a mistake to exaggerate the extent of the awakening in the business community itself. Even after the Common Market treaty was signed last year, a spokesman for the big General Motors subsidiary in Germany was able to tell a reporter that his employers had "not given a thought" to the Common Market, mainly because it would not become fully effective until 1970 or 1973—"and that's too long to tell yet."

The American Management Association, too, recalls how poorly attended were its meetings and periodic seminars on foreign operations. Indeed, enrollment in some was so low that they were canceled. Now, says an A.M.A. official, "We can't pack them all in."

Promise and Peril

The earlier attitude of wait-and-see or vague benevolence has been replaced by a fuller realization that Europe's single-market aspirations hold both promise and peril for Yankee traders.

It holds promise because a mass market larger than that of the United States offers a fine opportunity for American investors to transplant high-volume, efficient production methods. Furthermore, a more rapidly industrializing Europe is also sure to develop new needs that the United States can fill to the benefit of both. Americans generally applaud the expected industrial renaissance, with its hope of economic growth, increased prosperity, and higher living standards. They see these as the best barrier against collectivism, and as an important means of strengthening Europe's position both politically and economically, and of cementing West Germany more firmly to the NATO alliance. These are the very goals that the U.S. government has backed to the extent of $50 billion in postwar aid to western Europe.

The peril comes because under the rules of the European Economic Community (EEC is the abbreviation) the Europeans will be able to exchange their wares duty-free among themselves while continuing to find shelter behind tariff fences and even build some new ones against non-European goods. The total effect seems destined to increase the present discrimination suffered by U.S. dollar goods abroad in consequence of the renewed dollar shortage and special dollar-import restrictions in many countries. European protectionism might get worse if a U.S. depression dragged down the trade and money balances of our partners abroad, or if one member was always in trouble and needed special assistance.

"You've got to pay a price for things you want," argues a diplomat who has been following the treaty's development. "Anyway, we've been assured that the damage to our commercial interests won't be all that great if things go right." So, on

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balance, the U.S. government has been a reasonably enthusiastic partisan of the plan all along.

Donald F. Heatherington of the National Foreign Trade Council, a recognized authority, is convinced that the unified market, whether confined to the present six nations (approaching a population of 170 million right now) or extended to a dozen under the parallel British-inspired Free Trade Area plan (now more than 240 million), will have a marked impact on all American commercial relations overseas.

Not only will our exports to Europe be affected, he emphasizes, but also our trade with Latin America, Asia, and Africa, as the Europeans' broader-based operations allow them to become more competitive in those markets and as the world balance of payments shifts under pressure of European expansion.

Our Growing Stake Abroad

Mr. Heatherington's remarks take on a lot more dollars-and-cents impact after a quick glance at America's present stake in overseas business, which is enormous and increasing daily. It shows that traditional export-import figures no longer suffice to describe the "internationalization" taking place in the nation's business patterns.

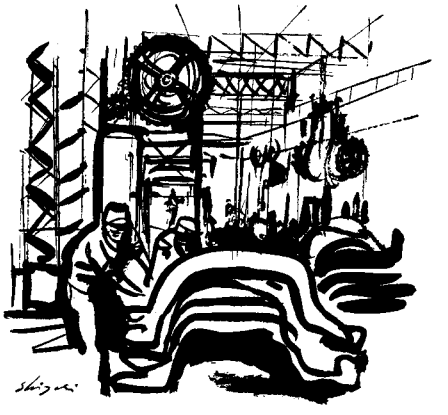
As 1958 began, American companies possessed more than $37 billion worth of holdings in foreign lands, an increase of about $4.5 billion over the previous year. The editor of McGraw-Hill's *Management Digest* estimates that annual sales of goods manufactured outside the country by these U.S.-controlled firms run to a staggering $35 billion, give or take a few billion.

Dividends from these direct American investments overseas account for "upwards of 17 per cent of all dividend payments in the United States," he adds.

Some well-known domestic companies, in fact, now derive a major part of their income from overseas. Gillette and National Cash Register move nearly forty per cent of their sales through subsidiaries abroad. H. J. Heinz earned an amazing seventy-one per cent of its 1956 consolidated net income in foreign markets. Chesebrough-Pond's, Inc. ("She's Lovely, She's Engaged," etc.) reportedly took about half its net from the same source that year, while in Europe alone, mammoth International Business Machines employs more than sixteen thousand persons in six plants, four laboratories, and 158 sales offices. An IBM subsidiary, World Trade Corporation, turned over $6 million in cash dividends to the parent company last year.

On top of private industry's overseas activities, the inventory must include a record $19.6 billion last year for exports, plus $13.2 billion in foreign imports. On this basis, a recent Guaranty Trust Company *Survey* points out that seven per cent of America's labor force, or about 4.5 million workers, earns a living from foreign trade. (The bank itself is no exception; it just moved its London branch into a new five-story office to cope with the flow of business overseas.)

The most comprehensive view yet available of American business reaction to the Common Market was offered last month at a special conference staged in New York by the American Management Association. The crowded three-day session imposed strict schoolroom hours on more than four hundred of the nation's leading executives (who paid



$75 or $90 for the privilege). They heard, among other things, the prediction that new private direct American capital investments in all of western Europe will easily surpass last year's $500 million, up $140 million over 1956, as corporation boards increasingly realize that the best place from which to "sell" the Common Market or the Free Trade Area will be Europe itself.

To cite a few examples, the Chemstrand Corporation has invested $10 million in a Northern Ireland synthetic-fiber plant that will start production later this year, and it also is helping to form a fiber-producing company in Italy. American Machine & Foundry recently paid $1.5 million for control of another Italian firm. Just since last summer, Reynolds Metals has arranged to go into aluminum fabricating in England, Germany, and Ireland. Other firms announcing new European ties over the past six months include North American Aviation's atomics division, B. F. Goodrich Chemicals, Olin Mathieson Chemical, and American Cyanamid.

Along with the inviting opportunities opening up to big business will come, of course, some of the attendant problems of bigness fought out in this country years ago and not yet completely settled.

Mergers are growing popular throughout western Europe and in Britain, as witness last year's marriage between giant Courtaulds and British Celanese to form the world's largest producer of man-made fibers. Medium-sized business isn't ruled out of the new Europe by any means, or from doing some merging itself, but the greatest advantage will go to the candidates from this side of the ocean having a clearly superior product backed by a big organization that can afford the mass production, distribution, servicing, and promotion required for maximum results in the pooled area. J. Wilner Sundelson, facilities and operations planning manager for Ford International, figures that it would take an outlay of $400 million for an American firm, starting from scratch, to get into competitive automobile production in Europe today. The rewards, he thinks, would be proportionately great. Sundelson thinks that by 1970 Europeans will be buying twice as many cars as they do now.

The European Boom

One strong attraction of the EEC is that the new European economy is growing faster than America's. In the last five years, industrial output shot up thirty-seven per cent, against sixteen per cent for the United States, while buying of durable goods like autos and radios increased by nearly sixty per cent per capita. This ex-

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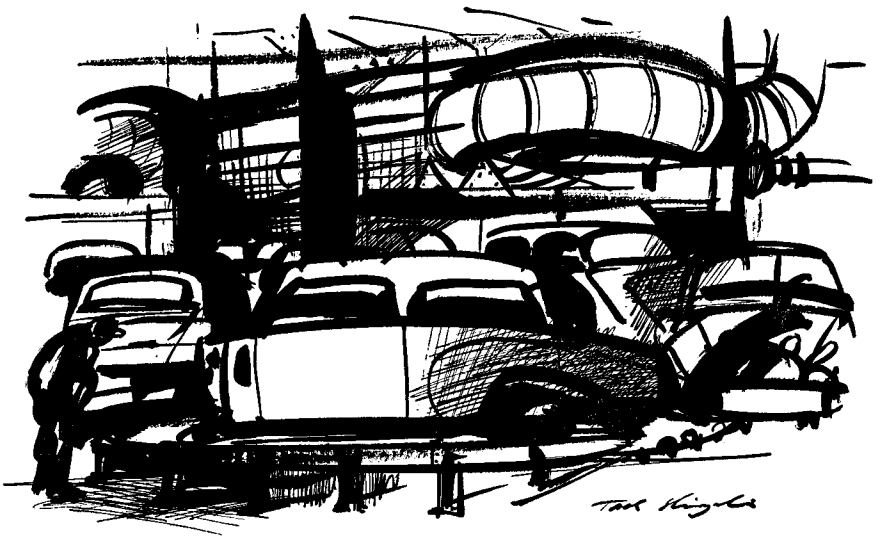
ceptional rate of expansion will not continue forever; factories are running close to peak capacity now, the labor supply is tightening, and the work week is getting shorter. The Organization for European Economic Cooperation estimates that for the five years 1956-1960, factory production, barring catastrophe, will move up twenty-five per cent, slower than previously but still enough to ensure Europe's continued expansion. The pace for the decade, in any case, will have been exceeded only by the United States during the 1920's.

The best explanation for Europe's spurt is that it is devoting more of its output to industrial investment than the United States, while its general economy is at a much earlier stage of development. Its productivity is only about half the U.S. rate, and therefore there is more relative leeway to catch up. Also, prior experience with many United States techniques enables Europe to progress by "borrowing" our years of intermediate development and omitting its own. Mass-produced automobiles are one example, modern packaging is another, and a third are self-service stores, now blossoming faster in Switzerland and Sweden than they did even in the early days over here.

The hypnotic effect of such statistics and the repeated titillation of the profit nerve by some speakers ("one and one-half times more customers than in the U.S. if the Free Trade plan comes through"; "Nowhere else outside North America will you find millions of people within fifteen years with $300 extra per capita income to spend") excited a few of the otherwise hardheaded participants in the A.M.A. conference into verbal extravagance. Europe was referred to as a "supermarket," and the Common Market as a "slow-motion gold rush." A prominent Midwestern executive possessively labeled Europe "our particular cup of tea," while to another enthusiast it was "a new economic frontier for a new generation of entrepreneurs." The Europeans who were present shuddered but bore up manfully.

Europe Is Not a Colony

Only one topic scraped any raw skin, and that was the impression given by speakers and audience alike, especially at question time, that great streams of American dollar investments are about to engulf the Old World. So much emphasis was laid on the topic that the ranking foreigner present, Robert Marjolin, who is France's leading economic technician and is now serving as first vice-president of the EEC Executive Commission, felt it necessary to administer a delicate warning. It was delivered only after an anxious corner conference with a State Department observer, who presumably was in agreement.



The gist of Marjolin's gentle lecture was that American investments should be spread around to avoid bringing too large a segment of any given industry under foreign control, though he didn't say whether this should be accomplished voluntarily or by a European watchdog committee. He added that dollars should be associated with European capital whenever possible in the new ventures. "Put yourself in the place of the Europeans and you'll come to the right conclusions," M. Marjolin advised.

At present M. Marjolin's stricture could conceivably apply to only two European industries, one being the automotive industry, where Americans own two of the six largest European companies. General Motors and Ford both have major plants in Germany and the United Kingdom, plus assembly plants in the Low Countries. Ford, with total overseas assets representing more than $750 million, has just completed a $50-million expansion program at Cologne, and is financing another of $200 million out of profits at its Dagenham, England, works. Chrysler maintains a truck plant in Britain and an assembly plant at Antwerp, and is currently studying the possibility of further overseas expansion.

The other strong American influence is in oil, where only Royal Dutch-Shell and British Petroleum offer impressive competition to the Americans.

MARJOLIN's suggestion about joint financing uncovers an interesting split on how businessmen feel about the desirability of associating European capital in new ventures.

Ford executive Jack Sundelson announced flatly that his firm would refuse any further overseas operation without one hundred per cent ownership; "otherwise we're prepared to stay out entirely and sign technical agreements." He claimed that General Motors feels the same way. A Chrysler export representative differed sharply, declaring that a joint ownership system not only assuages nationalistic sensibilities but also secures further gains from the participation of experienced local management. His statement certainly reflects the way his superiors in Detroit are thinking in their efforts to make Chrysler competitive in the world's automobile markets; it is the only one of the U.S. "Big Three" that does not have substantial foreign production.

John D. Fennebresque, vice-president of the California-based Food

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Machinery & Chemical Corporation, agreed that political trends abroad were swinging against American financial domination, and predicted that many U.S. firms would actually prefer European collaboration to going it alone. The argument is worth following, for the way American corporation leaders think on this score may well determine the sort of welcome they get when they step off the boat.

Let's Look at the Treaty

That boat ride, incidentally, may give them their first spell of leisure to browse through the treaty itself, a document comprising 248 Articles and three Annexes containing nine Lists, thirteen Protocols, two Conventions, and nine Declarations. It weighed two and a half pounds in its original form.

By the end of this year, the pact specifies, each of the six participating nations is required to carry out a ten per cent cut in its tariffs on imports from its partners. Similar reductions will follow roughly every eighteen months until the levies on most of this intramural trade are reduced to zero. The procedure will obviously make Community-produced articles cheaper than those coming from nonmembers like the United States, since these imports will still be subject to duties.

The partners are to start readjusting external tariffs in a little over three years, and this will produce another kind of headache for certain U.S. exporters. The plan is to level off the divergent tariff hedges progressively until there is a single average scale on imports from nonmembers for all six nations.

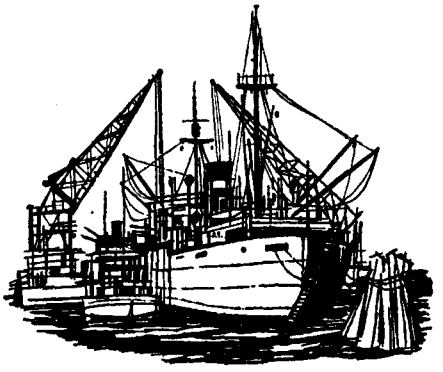
Achieving an average entails, naturally, raising some barriers and lowering others. Unfortunately, the United States, which in 1956 shipped more than $2.6 billion worth of its goods to all six members of the EEC, normally sends two-thirds of these exports to low-tariff Belgium, Holland, Luxembourg, and West Germany, whose rates will tend to rise under the new program. Conversely, trade with France and Italy, which now charge high duties, will be substantially more attractive.

Here's the story of a specific product, hosiery machinery. In 1954-1955, the United States exported $17.5 million worth to the six partners. More than two-thirds went to Germany and the Benelux nations, which all charge a six per cent ad valorem duty. Less than one-third went to France (duty twenty per cent) and Italy (duty thirty per cent). After the transitional period ends, American producers will be offering the equipment to all six over a new common tariff wall—15.5 per cent ad valorem. Competitors inside the fence, meantime, will enjoy free entry into their partners' markets. This is not an extreme case.

The United States government already has lost its power to negotiate trade questions directly with individual governments of the six EEC nations, according to George W. Ball, a Washington attorney who is one of the nation's authorities on Common Market legal problems. The reason is that such matters now affect common commercial policy of the six members, and their rule book says that policy questions now fall within the jurisdiction of the European Commission, which is empowered to negotiate on behalf of all of them.

There is one reassuring point, however: the Community's averaged-out external tariffs are calculated as maximum rates. They can therefore be lowered, with the right inducement.

This very important consideration, which could mean salvation later on for hard-pressed American export



firms, was spelled out before the influential A.M.A. executives by M. Marjolin. The Frenchman's shrewdly aimed message bears repeating, since it received little publicity at the time.

"Our attitude to American trade will be liberal and not protectionist," the Common Market spokesman promised. Then he quoted his authority, Article 18 of the treaty:

"Member States hereby declare their willingness to contribute to the development of international commerce and the reduction of barriers to trade by entering into reciprocal and mutually advantageous arrangements directed to the reduction of customs duties below the general level which they could claim as the result of the establishment of a customs union between themselves."

The visitor, who had built himself a solid international reputation in seven years as secretary-general of the seventeen-nation OEEC, leaned forward and raised his normally mild voice.

"This is a very important declaration that the way is open to the gradual reduction of our external tariffs, provided, of course, that other countries are ready to meet the Community halfway," he declared. "We are ready to negotiate with the United States and other countries on the basis of mutual concessions. I don't need to go any further."

The Trials of Reciprocity

Indeed he didn't. His statement amounted to a united European appeal—with a veiled "or else" twist that European countries hitherto could not attempt singly—for a liberal extension of the Reciprocal Trade Agreements Act, now before Congress for renewal. President Eisenhower's request for a minimum five-year renewal, with authority to negotiate reciprocal tariff cuts of up to five per cent a year, is stirring the fiercest protectionist battle in years. Ironically, the debate comes at a time when a large segment of American industry is beginning to realize that its own best protection lies in broadening and liberalizing the law.

Yet the *Wall Street Journal* predicts the President's demand "doesn't stand a chance. He'll get a shorter extension with less tariff cutting power. . . ."

If M. Marjolin saw any paradox in the spectacle of Europe being encouraged to rip down its trade barriers while we brawl over renewal of Mr. Eisenhower's extremely modest tariff-trimming powers, he kept politely quiet. It was left to Dr. Howard S. Piquet, senior specialist in international trade and econom-

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ics of the Library of Congress, to give, although privately, the most plausible explanation of Congress's attitude: "The Congress just doesn't seem to have an awareness of the Common Market yet."

He emphasized repeatedly that without effective machinery to negotiate new trade agreements, the government will be helpless to protect American interests. "Our power to negotiate is the only one we have," he said.

Some American manufacturers risk being frozen out of Europe in any case, it seems. Dr. Piquet concluded that unless we can negotiate concessions from the new Europe, its preferential tariffs will fall most heavily on manufactured goods, automobiles, aircraft, office machines, chemicals, and certain machinery. These account for about a third of the value of normal U.S. exports to the Community nations. Goods needed to feed the Continent's own industries, like cotton, coal, scrap iron, copper, tobacco, and some steel-mill products, will be unaffected by EEC, he feels. They make up forty per cent of the export total.

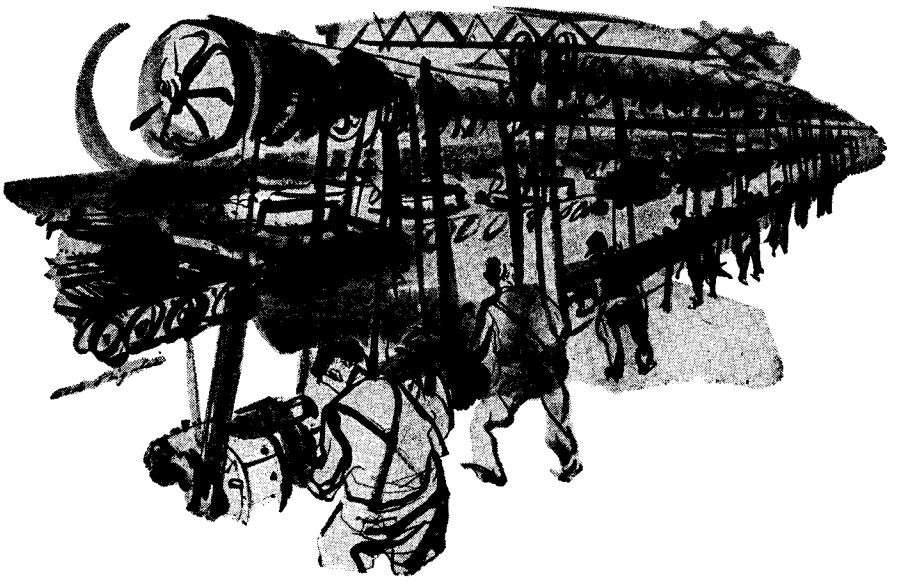
Dr. Piquet agrees with Dr. Francis McIntyre, who heads the economic research department of California Texas Oil Company, that some American exports will fall in the short run, while the need for capital goods will pick up. But for the long haul, they feel that the decline will be balanced when the changed structure of European industry creates a demand for other U.S. goods. A stronger economy will also increase Europe's capacity to earn dollars so that it can buy more here.

Ten Commandments for Traders

The A.M.A. conference produced a good many helpful hints for American businessmen who want to get their share of the European market. They may be informally capsulized in these "Don'ts":

¶ Don't delay your decision too long on entering Europe. If you wait, your competitors won't. Once real changes start, say after five years, momentum may push integration faster than scheduled, and you'll be left behind to tell it to the stockholders.

¶ Don't base long-term decisions for plant sites or markets on present



short-view conditions. Europe will be unrecognizable in a decade, barring a depression. Example: Germany may seem like a good bet now, with low wages and few strikes. But the treaty is supposed to equalize many labor costs with France's (i.e., upwards), and German unions are growing impatient to share benefits of Germany's miraculous recovery.

¶ Don't judge the Common Market on purely economic grounds. It is also a façade for a political mystique called "United Europe." One European has said, "That's why we can surmount difficulties which appear insoluble in economic terms."

¶ Don't expect to find a U.S.-style market. Vanishing tariffs alone won't erase formidable barriers like language, regional preferences, different ways of life. Lack of standardization (measurement, safety margins, specifications, even screw threads and electric plugs) will linger for decades.

¶ Don't be shocked to find cartels. This is Europe's version of a competitive economy, and "good cartels" are permitted under the treaty. Anti-trust laws are likely to be neither tight nor extensive; certain segments of German and French industry are busy recartelizing right now.

¶ Don't forget that European quotas are still a hurdle for many exports from the dollar zone. They may continue to be, since the treaty expresses hardly more than a hope for relief. Only about half of the region's dollar imports are quota-free now, versus ninety per cent of intra-European trade.

¶ Don't forget to keep in mind the next targets for unification. Zealots like Jean Monnet, "Mr. Europe," want common financial, fiscal, and credit policies; a true Europe-wide capital market; and perhaps eventually a common European currency. They also dream of merging the three existing communities—Economic, Coal and Steel, and Euratom. The momentum of the "European" movement may force governments to go along on some points.

¶ Don't disregard the potentialities of the Free Trade zone that Britain is trying to hook onto EEC to avoid economic isolation. Many insiders expect it to begin skeleton operations sometime next year, even if all the small print hasn't been written in. If it goes through, don't overlook Britain as a possible factory site. The five hundred-odd U.S. or Anglo-U.S. firms there will probably gain tariff-free entry to Continental markets and simultaneously preserve preferential access to the British Commonwealth. (Of course, the prospect of this double advantage annoys the Continentals.)

¶ Don't eliminate Africa and South America from future expansion plans; they are good spots to cultivate while European countries are expending their energies and capital in their own back yards.

¶ Don't be aggressively over-American. Shake hands twenty times a day if need be. Take a long lunch hour. Use the language; even if you're lousy at it, your effort flatters your companions.

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Mattei the Condottiere

CLAIRE STERLING

ROME

ENRICO MATTEI has been fighting his own war against the world's biggest oil companies for thirteen years. It used to be a limited one, largely confined to the Italian mainland. But now Mattei has carried it to Egypt, Iran, Pakistan, Yugoslavia, Spain, France, Somaliland, Libya, Tunisia, and Morocco, and has said recently that he plans to go still further. He has announced, in fact, that he intends to expand Italy's oil interests "wherever and whenever" the occasion arises; and there is a very good chance that he will.

These forays abroad should be none of Mattei's business. As head of an Italian government authority called ENI (Ente Nazionale Idrocarburi), he is supposed officially to be exploring Italy's own subsoil for any petroleum that might add to its slender fuel resources. But Mattei has none of the bureaucrat's reverence for the letter of the law. Having looked for oil in Italy and not found very much, he has simply decided to look elsewhere. "Crude oil," he says, "must be searched for wherever there is the greatest possibility of finding it under economically advantageous conditions."

Inasmuch as this happens also to be the viewpoint of companies like Standard Oil, Gulf, British Petroleum, and Royal Dutch-Shell, Mattei has found the field fully occupied. He has, however, devised a wonderful way of making an entrance.

EARLY last year, he persuaded the Shah of Iran to give him three highly promising concessions, covering an area of 8,800 square miles, on terms that shocked the international consortium there (BP, Royal Dutch-Shell, Standard of New Jersey and of California, Gulf, Socony, and Texas, together with nine American independents and the Compagnie Française des Pétroles), but delighted the Shah. The fifty-fifty royalties split traditional in the Middle East was formally maintained. But Mattei guaranteed an additional fifty-fifty split in profits to the Iranians by undertaking to bring their government into equal partnership with him if he found oil. He also agreed to pay all the costs of exploration, with the Iranian government repaying half the investment only when and if he found the oil.

This agreement wasn't the first of its kind, since Mattei himself had made one very much like it with Nasser a few months earlier. But only a trickle of oil has yet been found in Egypt, whereas Iran produced thirty-five million tons last year. The Egyptian deal, therefore, was only a dress rehearsal for a sensational debut in Iran.

The violation of the fifty-fifty principle wasn't really new. New Jersey Standard's subsidiary in Venezuela, Creole Petroleum, holds to the fifty-fifty principle, but the inclusion of the American independent companies brings the average arrangement up to 56-44. Furthermore, the oil companies, taken together, have actually been paying a much higher percentage than that in the form of huge entrance bonuses for new concessions—a system that brought $700 million into the Venezuelan treasury in the high-mark period of 1956-1957, and is also very much in use throughout the Middle East. Mattei paid no such bonus in Iran. He was asked for one at the beginning: $35 million, he says, as against a reported 40-million bid from the consortium for the same concessions. But the Shah soon dropped the question. What Mattei had to offer was evidently more tempting than cash.

The alluring aspect of Mattei's deal was the prospect of equal partnership, which no oil-producing Middle Eastern state has ever had before. That alone would be enough to alarm the consortium members. An arrangement that went beyond the fifty-fifty royalties split and included equal participation in profits was a most serious menace not only to their holdings in Iran—ten times the size of Mattei's—but to all their other holdings in the Arab States, where nationalism is running high and where the Big Seven's combined profits yielded enough to pay $216.7 million in royalties to Iran last year.

Gentleman's Agreement

Had it been possible to keep Mattei in a kind of Iranian quarantine, the consortium might not have been so concerned. But the ink was hardly dry on his Teheran contract when he was off traveling around the Mediterranean with copies of it in his briefcase. He may have missed some potential oil-producing country en route, but the news of his Iranian contract didn't. It was evident, therefore—and still is—that Mattei's move might change the *status quo* in the Middle East as drastically as Standard Oil and other American companies themselves changed it in December, 1950, when they accepted the fifty-fifty principle in Saudi Arabia while the British were paying far lower royalties to Iraq.

Inasmuch as the British had been done in the eye by the Americans in Iraq and also in Iran a little later, they were not by any means as hostile as their American colleagues toward Mattei during this crisis. Indeed, they seemed to take a certain quiet satisfaction in his behavior, as they have on other occasions before and since. They were even prepared to offer him a compromise, in the form of a five per cent membership in the consortium. There is reason to believe that he might have accepted the offer if it had been made soon enough. He himself says that he hinted as much to U.S. Ambassador James Zellerbach in Rome. "I told him the Americans were annoying me in Teheran, but that we might still find a way to get together." The ambassador didn't take the hint, however; and by the time the British got around to making the proposal, it was too late.

No doubt Mattei turned the compromise down partly through pique.

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Standard Oil and Gulf have been his bitterest enemies in Italy for years—particularly since last year, when he finally succeeded in driving the major foreign oil prospectors off the Italian mainland. Both tried so strenuously to keep him out of Iran that the Shah, in a rare display of royal temper, attacked them publicly for their "open, constant, and heavy-handed interference."

The Big Seven maintain that no oil company could operate on a sound commercial basis under Mattei's 75-25 division. British Petroleum, however, whose share in the consortium is forty per cent, earned a net $60 million in Iran last year. Petroleum experts admit that once Mattei finds oil, he can expect a profit of forty cents on the dollar. The point, of course, is whether he can find it and how much he will have to spend in the process. On both counts, the consortium naturally hopes he will fall on his face. A few years ago he might have. But by now he has developed a corps of eight hundred highly trained petroleum technicians, and his new Pignone factory near Florence is turning out some of the best drills in the world. As for capital, it comes far more readily to his hand than to that of any private industrialist in Italy—or anywhere else on the Continent.

In his Iranian agreement, Mattei undertook to spend $6 million in the first four years for exploration. That is a paltry sum for a man who, for the same purpose, has perhaps spent $10 million in Egypt in less than two years. Even fifty times that amount would probably not faze him. Indeed, he talked freely of putting up half a billion dollars for a thousand-mile pipeline going from the newly discovered Qum oil fields in Iran to the Mediterranean. All he asked in exchange was a fifty per cent share in these oil fields, and the Shah was on the verge of agreeing until an American investment firm, Allen & Co., made a tentative offer.

Wherever Profits Are Highest

One might ask, and Mattei's enemies at home frequently do, how the manager of an Italian government-owned authority can conceivably lay his hands on so much money.

No one has ever accused Mattei of being personally acquisitive. He lives modestly, even ascetically, has no expensive hobbies, and turns over most of his salary to an orphan asylum in his home town. He is, however, decidedly elusive in accounting to the government for the financial workings of ENI, and rarely informs the cabinet of what he's doing until he has already done it—if then. Since he controls a block of fifty Christian Democratic deputies and contributes more than generously to their party treasury, the government tends to leave him alone.

He has done spectacularly well with ENI under these circumstances. When he took over its predecessor, AGIP, in 1945, the entire property of that defunct Mussolini agency was on sale for a million dollars, with no takers. Today, ENI is a state holding company with fifty-three subsidiaries and $2 billion. Its biggest asset is natural gas, which Mattei's engineers discovered while prospecting for oil in the Po Valley, and which, produced now at an annual rate of nearly five billion cubic meters, covers thirteen per cent of Italy's fuel needs, saves the nation more than $100 million annually in foreign exchange, provides industrial energy for two thousand factories, and cooks the meals of 2,500,000 Italian families.

Among the other enterprises that ENI owns wholly or in part are metal works, iron and steel works, natural-steam works, chemical factories, oil wells and refineries, a soap factory, an electric power station, a string of service stations and slick new motels, an entire new state highway, a tanker fleet, and the third biggest network of natural-gas pipelines in the world. It is also on the point of completing a $150-million, five-hundred-acre industrial complex at Ravenna—the only one of its size and kind in Europe, and the only important new one to be built in Italy since the war—that will produce fifty-five thousand tons of artificial rubber and 650,000 tons of nitrate fertilizer a year. Furthermore, Mattei expects before this year is out to begin construction of a $75-million Calder Hall-type reactor, with a capacity of 200,000 kilowatts—the largest atomic-energy plant yet on the drawing boards anywhere—with patents, equipment, information, technical assistance, and substantial credits furnished by the British Atomic Energy Authority. Although he has plans for another atomic plant built to American designs, it seems unlikely that he can get U.S. loans for that one while investing his own capital so arrogantly in Iran and elsewhere.

THERE ARE few businesmen in Europe, and surely none in Italy, who started with so little and built so much. What's more, Mattei has managed it with no financial help from the government beyond an initial $48-million sinking fund, part of which represented the value of AGIP's assets. To be sure, he has benefited from extraordinary governmental indulgences. Between 1956 and 1958, for instance, ENI was permitted to float $144 million worth of bond issues, six times the ceiling set for Fiat, the biggest private industry in the country. Since Mattei says he will invest more than that during the current year alone, however, he evidently must have some other sources of capital somewhere, no one knows exactly where. These sources certainly don't leap to the eye in ENI's annual report, which listed a net profit for all its subsidiaries last year of only $7.5 million—of which two-thirds was turned over to the government. But somewhere between ENI's net and gross

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income lies what must be a formidable sum accumulated by selling natural gas at from two to three times its cost of production.

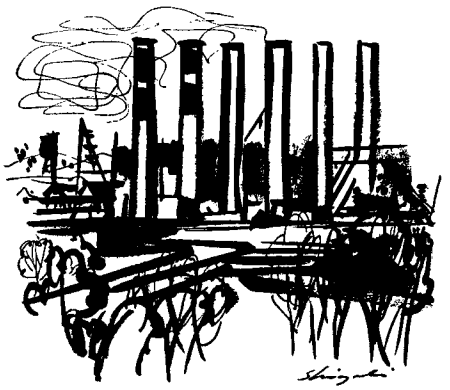
Putting Profits to Work

This artificially high price has brought Mattei more withering criticism than anything else he has done. He argues that it is the most painless way to finance his oil explorations; that he couldn't lower it anyway without putting many factories still beyond the reach of his pipelines at an unfair disadvantage; and that if he did lower it, the savings "would not be passed on to the consumer, but would merely increase the industrialists' profits, whereas a state enterprise can use the profits for an investment policy in the most backward zones of the country, like the south."

If Mattei had used his particular state enterprise that way, he would not be where he is. Actually, he has invested very little in the poverty-ridden Italian south. Like the industrialists he talks about, he has gone where the profits are highest, charged what the market will bear, and plowed the dividends back into business investments that will bring in more.

Indeed, he has been a more forward-looking industrialist than most. With the counsel of an American management firm, he has streamlined ENI's every operation, introduced efficiency experts, adopted a progressive labor-management policy, and is even talking enthusiastically of eliminating the standard sleep-inducing Italian lunch of *pasta* and wine in his mess halls in favor of salads and Coca-Cola. Commendable as this aggressiveness on the part of an Italian civil servant may be, it is not, of course, what the government hired him for, which was to venture where private business would not go, in order to discover and exploit Italy's natural resources to the fullest. Nevertheless, this improbable and, some say, intolerably arrogant civil servant can make a good case for what he is doing.

Italy needs the equivalent of 52 million tons of coal a year now, and will need 76 million in 1965 and 110 million in 1975. At present it produces only 22 million tons of coal equivalent, or 42 per cent of current needs, of which Mattei's natural gas accounts for nearly a third. On a long-term basis, its most urgent problem is to build atomic-energy plants—an estimated thirty-five as large as the two that Mattei is planning—by 1975. Meanwhile, the big problem is to find oil. So far, Gulf has found enough of it in Sicily to produce about a million tons a year, and Mattei claims to have found enough near Gulf's reserve to produce another million by and by. But Italy consumes 11 million tons a year, which will go up to 15 million by 1960; and promising as the mainland has looked to geologists for years, no one since Gulf has found any significant deposits there.



The Explorer

The Big Seven blame this almost wholly on Mattei, who has exclusive rights to 21,000 square miles in the Po Valley—the most promising area of all—and who has recently pushed through a new petroleum law that in effect makes the whole Italian Peninsula his exclusive domain. Mattei himself will not say precisely how intensive a search he has made for oil, as distinct from natural gas, in the Po Valley. But he does claim to have drilled a great many wells there in search of both—some of them deeper than any drilled outside the United States; and he strongly suggests that if he hasn't made an important strike in the area by now, no one else would be likely to. On the other hand, a consortium in which he holds a substantial interest has found oil in Egypt, not very good in quality but enough to give Italy an extra 700,000 tons a year. Why not, then, go exploring abroad on a more extensive scale, where the prospects are better, the costs are lower, and the massive capital accumulated by ENI through the years might easily bring in quick and lush returns?

Mattei's opponents point out that there are several pressing economic, political, and diplomatic reasons why not. In the first place, oil exploration is a terribly expensive game of chance, even where the prospects are best. Four-fifths of all the exploratory wells dug in the world are dry; only six in a hundred pay the cost of drilling; and only one in a thousand reveals a really big deposit. Mattei may be reasonably hopeful of finding oil in Iran, Tunisia, or Morocco, but he can't be certain. Meanwhile, he will be risking enormous sums of money belonging to the Italian state, at a time when Italy is looking desperately for capital to develop its domestic economy. Furthermore, assuming he should find oil in quantity in the Middle East, he would not necessarily be ensuring Italy's supply by that means. The Suez crisis was so instructive in this regard that most western nations are now making extravagant efforts to find and develop fuel resources as far from that troubled area as possible. The fact that Mattei signed his partnership contract with Nasser only three months after the Sinai invasion —when all other western investors were trying frantically to get their money out of Egypt—suggests he is not overly sensitive to the peculiar political dangers of the Arab world. The fact, too, that he undertook to protect an older ENI oil well in the Sinai Desert during the invasion by sending fifteen Italians with machine guns to guard it suggests, among other things, a buccaneering spirit more attuned to a past age than to postwar Italy.

Mattei and His Government

Mattei may even be appreciably increasing the very turmoil he so casually creates by making his appearance at the time and in the way he has done in Iran. The repercussions of his move may not be felt for some time. But it can hardly fail to feed the nationalist currents running against all western countries, including, in the long run, his own.

While he argues that any other

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shrewd businessman might have made the same move, his critics point out that he isn't merely a businessman but the head of a government agency, though such an influential one that wherever he goes, the Italian Foreign Office is bound to follow.

He is not in the habit of consulting the Foreign Office beforehand. When, for example, he negotiated an exploration treaty with Tito in Belgrade last December, the Italian Foreign Minister, Prime Minister, and President of the Republic had to wait until their ambassador told them what had really happened. Accordingly, Italy is finding itself more deeply embroiled every day in Middle Eastern politics, not in the role of impartial arbitrator it has tried to be during the past eighteen months but as an interested party.

The effects are already discernible in Italian foreign policy, which has begun to veer off in one direction toward a new position called Neo-Atlanticism, and in another toward a very old one called *Mare Nostrum*. Neo-Atlanticism, which is not quite heartily pro-western, includes a policy of active friendship with Nasser, as well as a proposal for an international diplomatic consortium, including both the United States and Russia, to preside over the Middle East. *Mare Nostrum* means literally that the Mediterranean is an essentially Italian sea, and that Italy should consequently develop a zone of influence around it. The phrase has a most unpleasant ring to Italians who hated Mussolini during his two decades of imperial expansion. But Mattei, who first emerged as a Resistance leader, says today that he sees "nothing wrong with the idea, except for Mussolini's use of force in applying it."

When Standard Oil and Gulf were feuding with Mattei inside Italy—with an eye on the lucrative Po Valley and an arrogance at least equal to his own—he was a vastly popular national hero. He is somewhat less so today. Many thoughtful Italians are very much distressed by his extravagant success in driving all foreign oil prospectors and their millions of useful dollars off the mainland, by his new international role and its disagreeable effects on Italian foreign policy, and by his cool disregard for the government he is supposed to be serving. "Mattei has become a prime example of what's wrong with Italian democracy," says Professor Ernesto Rossi, an outstanding economist who was once among his stoutest defenders. "He could not be so strong if our government were not so weak."

Moving Ahead

No one seems to be in a position to stop him. Aside from his transcendent influence in the ruling Christian Democratic Party, he has the solid backing of countless independents, who still think of him as Italy's closest thing to a trust buster —to say nothing of the Communists and Nenni Socialists, for whom he is a cornucopia of anti-western propaganda at the moment. He also has the support of the country's most influential newspapers, whose commercial sections are regularly filled with ENI advertising. (One national daily called *Il Giorno,* recently taken over outright by an intermediary of Mattei's, occupies three pages in the Milan telephone directory because it installed telephones gratis in every newspaper kiosk in the city.) Above all, he has been fortified by

a close personal friendship with Giovanni Gronchi, whom he helped elect President.

With almost complete security, therefore, Mattei is going ahead with his plans to penetrate the petroleum world from the Persian Gulf to the Moroccan end of the Sahara Desert. He has been checked in Libya, where, under what must have been fearsome pressure from the Big Seven, King Idris tore up an Iranian-type contract with ENI that was awaiting his signature. But Mattei is now negotiating an even more far-reaching contract with Morocco, on the invitation of King Mohammed V; he is either already drilling, or is in private partnerships, or in preliminary discussion stages in all the other countries listed at the beginning of this article; he is completing a geological survey in Iran, where he hopes to begin drilling next summer; and he is building his first offshore platform for underwater exploration in the Persian Gulf off the coast of Iran. Moreover, since last year shipments of Egyptian crude are already unloading in Italian ports; and while he has had some difficulty about getting it into those refineries he owns jointly with Standard Oil and British Petroleum—who evidently prefer to refine their own crude—he does not expect this to be an enduring obstacle. "If Standard and BP don't change their minds," says one of his top aides, "we'll simply nationalize them."

NEVERTHELESS, his security is not quite complete. Last December, the Italian government announced its intention of opening up part of the Po Valley to private—and foreign—exploration. "The new phase of ENI's activities abroad," said Minister of Industry Silvio Gava, "the uncertainty of supplies from the Middle East, the growing need of energy resources for the Italian economy, the development of new energy sources which suggest using the time left to consume our existing sources, are all circumstances showing the need to accelerate the exploration of our national territory, including the Po Valley."

Maybe this is just another attempt to stop Mattei. Loss of the Po Valley or any part of it would be a severe blow to him, for his career began in that rich demesne and his greatest source of strength, natural gas, lies under its surface. He may parry the blow and probably will. Yet the government's announcement was a pointed warning. An increasing number of influential Italians are made uneasy by the near sovereign status that Enrico Mattei has acquired.

This head of a state agency exerts too much power over the state, and even President Gronchi, once one of Mattei's closest friends and supporters, has shown his concern.

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Dr. Schwartz Goes to Washington

WILLIAM S. FAIRFIELD

ONE EVENING when it was nearly over, Aileen Schwartz, trim and still attractive under many layers of tension, sat in the living room of the Washington apartment she and her husband, Dr. Bernard Schwartz, had rented some six months earlier when he was appointed chief counsel and staff director of the House subcommittee investigating the government's independent regulatory agencies. Two days before, the subcommittee had voted to fire her husband, a slim, intense young man with a mercurial temperament who had been the talk of Washington for two solid weeks. "Frankly," she said, "we were naïve. We were so naïve we were dumb."

Just then Schwartz himself entered the apartment, clad in an open-necked shirt, Chesterfield coat, and black Homburg. His beard was heavy and his eyes, behind large glasses, seemed blurred from lack of sleep. He set down an armful of groceries and slumped into a chair. "I don't admit to understanding this whole situation," he said. "I just hope I survive it."

BEHIND this remark lies a six-month odyssey that might be entitled "The Political Education of Bernard Schwartz." For although Schwartz was certainly aware of the old adage that the business of Congress is done in its committees, he, like many others, had never gone beyond theory in studying the actual operation of these committees.

The House subcommittee on Legislative Oversight (whose name derives from a governmentalese corruption of the verb "to oversee") came into being as the personal pet of Speaker Sam Rayburn, who during his forty-four years in the House of Representatives has helped write the laws that established all but one of the present Federal regulatory agencies. In February of last year, Rayburn had urged an investigation of how "each and every one of these laws . . . is being carried out."

Once Rayburn had spoken, the House wasted little time in appropriating $250,000 for the study requested, and Oren Harris of Arkansas, chairman of the House Interstate and Foreign Commerce Committee, was equally prompt in appointing an eleven-man subcommittee to do the job.

Space for the new subcommittee was found in an ancient stucco shack perched alone on the House's main parking lot. But finding a chief counsel proved to be more difficult, despite some four hundred job applications that flooded in when the

group's generous appropriation was announced. Finally, John E. Moss of California, the lowest-ranking Democrat on the subcommittee, suggested Bernard Schwartz, who had earlier testified before Moss's own Government Operations subcommittee on freedom of information.

SCHWARTZ'S qualifications were impressive. At thirty-four, he was a professor of law at New York University and an acknowledged expert in administrative law. Between 1940 and 1944 he had managed to cram in four years of undergraduate work at City College and three years of law school at N.Y.U. In 1945 he received his Master of Laws degree at Harvard and two years later got his Ph.D. at Cambridge University, England. He was the author of no less than five books. Meticulous in all his personal habits, he neither smoked nor drank. Finally, he was a registered Republican, and this appealed strongly to the five minority members of the subcommittee.

The only man with reservations at that stage, in fact, was Schwartz himself. Because of these doubts, he went to see the late Chief Justice Arthur T. Vanderbilt of the New Jersey Supreme Court, a jurist who had long considered Schwartz an outstanding protégé.

"Justice Vanderbilt advised me to take the job only if it was nonpolitical," Schwartz has since said. "So I asked about that when I was interviewed in Washington, and I was quite emphatically assured politics would play no part." Schwartz accepted this assurance at face value.

The 'Big Six'

Shortly after his committee appointment, on August 1, 1957, Schwartz was to announce that "every time you turn on your gas stove, radio, or television set, or buy a train ticket, or even buy groceries at the store, you become subject, indirectly, to the rulings of these agencies." What he did not add was the fact that most major industries in America were subject, not indirectly but directly, to the rulings of one or more of these same agencies. The Federal Communications Commission controls radio and TV licenses; the Federal Power Commission regulates hydroelectric development; the Interstate Commerce Commission sets rates for the railroads; the Securities and Exchange Commission enforces rules for stock and bond transactions; the Civil Aeronautics Board parcels out airline routes; and the Federal Trade Commission has responsibility over monopolistic and unfair trade practices. Together, these so-called "Big Six" hand down decisions involving millions of dollars each month.

The huge industries concerned are bound to exert pressure, either directly, or through sympathetic congressmen, or through friends in the administration. The chief counsel of another Congressional committee has put it quite simply: "Only a magician or a simpleton could have avoided politics in this investigation."

Schwartz was neither. And furthermore, he ran into some rather unusual difficulties right from the day he accepted the job.

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It has been charged that Harris "rigged" the subcommittee from the start. At the time he selected its membership, columnists pointed out, he himself owned a one-quarter interest in a television station. They also suggested that since Harris had repeatedly sponsored legislation favored by the oil industry, he had little desire to investigate political pressures on the Federal Power Commission, which regulates natural-gas prices.

As a matter of fact, Harris's appointments were by no means unusual. Morgan M. Moulder of Missouri, whom he selected as chairman of the new group, was the senior Democrat on the Commerce Committee without a subcommittee of his own. The others appointed to the group were the ranking members of the full committee with only two exceptions, and one of these was Moss, who remained Schwartz's staunchest supporter to the very end.

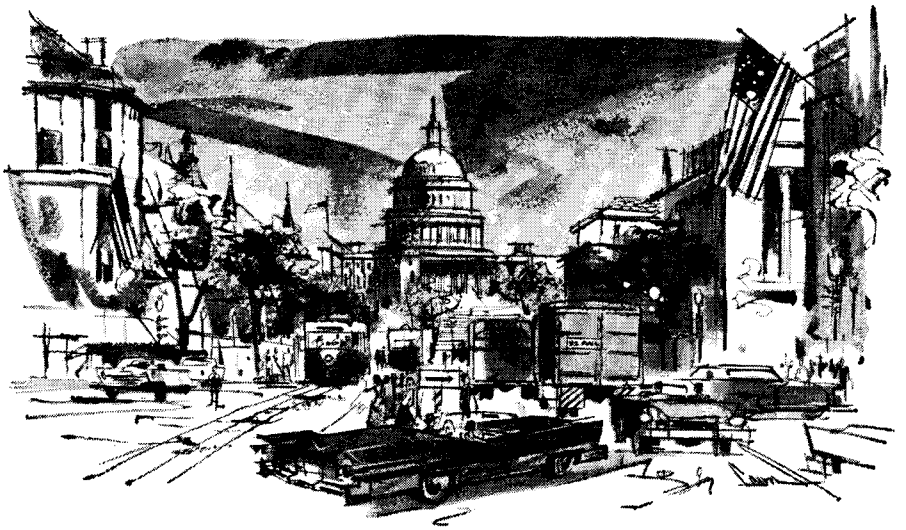
Not Much Support

On the other hand, when Schwartz entered his new office on August 1, he found himself saddled with a staff of fourteen people who had already been hired by the subcommittee.

Among those already on the payroll before the chief counsel ever arrived, there was, for instance, Joseph P. O'Hara, Jr., a $1,000-a-month staff investigator who also happened to be the son of Joseph P. O'Hara, Sr., a Republican member of the subcommittee. And yet despite the presence of young O'Hara and others, Schwartz apparently never did understand the full role politics might play in the selection of a Congressional staff.

Three days after he had been fired, he was still complaining about the $12,000 annual salary of one lawyer on the subcommittee payroll. "He produced so little that I finally asked him to submit weekly reports," Schwartz said. "And then all I ever got was one line: 'Examined Files.' If he was one of the best they could find, I can't imagine what the other hundreds of applicants were like."

Shortly after assuming his new duties, Schwartz discovered a second difficulty. Morgan Moulder, a big watery-eyed man with sunken cheeks, was a middle-of-the-road Democrat undertaking his first assignment as



a chairman. Before long, other members of the subcommittee were bypassing him to make statements and to question witnesses, each other, and Chief Counsel Schwartz as well.

Even before Schwartz was hired, Moulder had publicly called for exactly the kind of detailed investigation his chief counsel later outlined; and the morning after Schwartz was fired, Moulder resigned as subcommittee chairman. In the intervening six months, however, his support of Schwartz was something less than rock-ribbed.

FOR EXAMPLE, there was the problem of subpoena power, whereby individuals could be forced to appear before the subcommittee, with or without specific records, under penalty of law. Schwartz had originally told Moulder of the need for such authority in October, and Moulder had said he would mention the matter to Harris when the two met the following month. Yet when Congress reconvened in January, Harris was able to state in Moulder's presence that he had never been asked to delegate the subpoena powers which he, as chairman of the full committee, possessed. Again, on January 4, Moulder told a Washington *Post* reporter that he would "insist" that the subcommittee be given subpoena powers. All he got, however, was Harris's assurance that he (Harris) would sign subpoenas whenever Moulder deemed them necessary.

On one occasion, Schwartz has testified, he went to Harris with two subpoenas for individuals on the West Coast. Harris called Moulder and suggested the subpoenas would take time, cost money, and might not be worth it. Moulder quickly agreed, and the subpoenas were never issued.

A 'Wise Guy' from New York

Of course, quite a few of Bernard Schwartz's difficulties were of his own making. Even in the early, comparatively tranquil weeks of his régime, he had managed to anger, upset, or dismay a sizable number of people.

On September 20, Schwartz spoke before the Federal Bar Association, an organization of present and past government lawyers, appealing directly to those "within the agencies whose loyalty is greater than loyalty to the particular men involved." He urged these people to come to him, and promised to treat their information "in complete confidence."

One government attorney later reported receiving a total of four calls from fellow members of the association. "They all seemed to feel," he said, "that this guy was asking them to become secret informers against their bosses."

Three days earlier, Schwartz had mailed a similar request to all lawyers practicing before the FCC, again promising to treat any information they might provide on "a wholly confidential basis."

A long-time FCC employee has termed this form letter "just plain silly." Naturally, he has explained, the attorneys soon discovered that all their colleagues had received the same letter and realized that what was being suggested was "a sort of mutual throat-cutting competition."

Finally, in early October, Schwartz drafted a letter to be sent to the top

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officials of the "Big Six," asking them to list all payments or other benefits provided by anyone subject to agency regulation, whether such benefits were received "directly or indirectly, by you or any member of your immediate family."

SEVERAL COMMISSIONERS publicly expressed their outrage over this questionnaire, and they found sympathizers on the subcommittee. Congressman O'Hara told the press he considered it "a lousy thing to do. Never before," he added, "has any Congressional investigating group started out by assuming everybody was crooked."

The letter was signed by Moulder and contained revisions suggested by John B. Bennett, the only Republican member of the subcommittee who was in Washington at the time. Nevertheless, a majority of the group blamed the chief counsel. And at a closed meeting on October 17, this majority—in its first official slap at Schwartz—voted not to allow the staff to see any of the answers to the questionnaire.

That same day Schwartz admitted that "personalities" had become an issue within the subcommittee and argued that such issues were "completely irrelevant." Given Schwartz's own personality, however, and his relationship to the members of the subcommittee, a conflict of personalities was hardly avoidable.

At least that is the opinion of Baron I. Shacklette, the subcommittee's chief investigator and the only man of the staff whose annual salary of $14,800 matched that of the chief counsel. Shacklette, a short, roly-poly veteran on Capitol Hill who had played a major role in the Senate's 1949 investigation of the so-called "Five Percenters," had been personally drafted for the subcommittee job by Oren Harris. In a two-hour interview shortly after Schwartz's dismissal, he showed little but sympathy for his former staff superior.

"Schwartz is a brilliant lawyer," Shacklette said, choosing his words carefully. "But his personality definitely created friction. He's got that New York accent some people associate with a 'wise guy,' and even his appearance is against him. His glasses give his eyes a small and hard look. Also he seems to reek of arrogance when you first meet him. He has little taste for small talk and therefore often appears abrupt, sharp-tongued.

"But when he takes off the glasses, you see he has soft brown doelike eyes, and when you get to know him, he's easy to work with.

"The essence of it all is pure, naked intellectual honesty. He's rigid and inflexible—almost in the Old Testament style. He won't bend even on a little point."

Moreover, Schwartz continued to inject his personality into the subcommittee proceedings, sometimes, it seemed, almost willfully. At one closed meeting, for example, when he was asked about his background in the field of administrative law, he answered in a manner hardly calculated to lower Congressional blood pressure:

"I have acquired a reputation as one of the foremost authorities, yes, sir. I acquired that reputation in part through my work on the Hoover Commission. And I have written more on the subject than any man in this country. I have written in three countries, in English and French. I think it is fair to say, and I am not boasting or anything, that despite my age, anyone who knows anything about this subject would place me among the first five leading authorities in the country."

Who Leaked the Story?

The climactic battle between Bernard Schwartz and his employers began when the subcommittee held its first meeting of the new year. For this closed session on January 8, Schwartz had prepared a twenty-eight-page confidential memorandum proposing an exhaustive investigation of the Federal Communications Commission. The bulk of the memorandum was devoted to the fluctuating standards the FCC had applied in granting television licenses and suggested a study of the reasons behind such inconsistency. But three pages dealt with specific charges that unnamed FCC commissioners had accepted favors from the television industry.

As one Republican member of the subcommittee remarked, according to staff notes taken at the secret meeting, "Dr. Schwartz charges certain conduct which involves criminal charges, or at least, at the very least, grounds for resignation. I am shocked. I had no idea when I voted to set up this subcommittee and agreed to serve on it that we would go into this sort of thing."

Over Schwartz's strong objections, the subcommittee voted to put off his proposed investigation and begin instead with a "general survey" of the "Big Six."

Both Moulder and Moss had voted to proceed along the lines of Schwartz's memorandum. Moss has since stated his reasons: "First, I felt that the memorandum outlined a valid investigation. And second, the fact that the memorandum was already in the hands of both the subcommittee members and the staff made it almost certain that its contents would be 'leaked' to the press, with all the distortion that generally follows."

ALTHOUGH even Schwartz's bitterest critics on the subcommittee never charged the chief counsel with the original leak of the memorandum, Moss's prediction was soon borne out. On January 17 and 21, Drew Pearson's column contained information that seemed to come from subcommittee sources; and on January 22, Pearson included lengthy verbatim quotes from the memorandum itself.

On the evening of the day the third Pearson column appeared, Schwartz handed his own copy of the memorandum to an old acquaintance, William Blair of the New York *Times,* and the next day the *Times* devoted almost a full page to excerpts.

For four days the members of the Washington press corps worried this rag doll like so many cocker spaniels. Then, on January 27, Oren Harris himself reversed the subcommittee's original decision and pledged prompt hearings on the charges of official misconduct. But first the subcommittee opened the "general survey" study it had scheduled several weeks before. The public hearings that followed may have provided important background data for the members of the subcommittee; but at a closed session on January 30, the day the hearings ended, Schwartz bluntly informed

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the subcommittee that they had been "a complete waste of time. I would not have spent the time of a graduate seminar in the law school on this sort of thing."

At the same meeting, under oath at his own request, Schwartz conceded that he had previously deceived Chairman Moulder when asked about giving the confidential memorandum to the New York *Times*. He now admitted leaking the document and stated that he did so because an incomplete and slanted version had already appeared elsewhere. In return, Schwartz—in an accomplishment that must be unique in Congressional annals—maneuvered the subcommittee members present into a position where each solemnly placed himself under oath to swear that he had not earlier leaked the information to Pearson, although several left loopholes that did nothing to destroy the widely held theory that a subcommittee member had given the memorandum to another congressman, who in turn had given the information to the columnist.

A Fight to the Finish

On February 3, John Doerfer took the witness stand. The FCC chairman spent most of the next three days answering charges that he had accepted fees, favors, and travel expenses from the radio-television industry. Then, on Saturday, February 8, the dam burst.

That morning, the Tulsa *Tribune* carried a story from Washington strongly hinting that Schwartz himself had collected excessive travel expenses from the subcommittee. Schwartz replied that the story was just one more proof that "powerful interests" intended to "stop at nothing" to block his investigation. But Harris, indicating no prior knowledge of the "facts" disclosed, topped this statement by announcing that Schwartz "appears to be doing the same thing we have been criticizing others in government for."

Actually, the evidence was on Schwartz's side. The vouchers, for a total of $400, had been signed by Moulder and approved by Harris. Moreover, Harris, who once called for a thorough investigation of the matter, later dropped any plans for such an investigation, after coming very close to an open admission that Schwartz had done nothing improper. Yet in the battle for Sunday morning's headlines, Schwartz had clearly lost.

By this time, the chief counsel had decided to fight back, no matter how heavy the odds against him might be. He countered on Sunday by handing the press a photostatic transcript of the group's closed session on January 30, and by charg-

ing that a majority of the subcommittee had tried to "smother" his proposed investigation.

On Monday, February 10, the subcommittee questioned Schwartz for eight hours, and then fired him as chief counsel and staff director. To reporters who had followed the day-to-day proceedings, the seven-to-four vote was surprisingly close.

Schwartz might have read the signs much earlier. In mid-January, for example, he had ample evidence that his actions were being carefully followed. At that time, Harris had pointedly referred to a forty-five-minute interview Schwartz had granted a reporter in his own private office. Yet a week later, Schwartz walked into staff headquarters and announced for all to hear: "They could convict me for contempt of Congress, for I have nothing but contempt for most members of this subcommittee." Toward the end, as Representative Moss himself has said, Schwartz became "almost impossible to defend."

BEFORE Schwartz was hired by the subcommittee, the young law professor had a talk with Sam Rayburn, who warned him about "talking to the press and giving out information." The Speaker also made it clear that the one thing he could not stand was a staff director who tried to take over a Congressional committee and dictate its policies.

Schwartz's original sponsor, John Moss, also gave him some advice. "I told him two months ago," Moss said the day after Schwartz was fired, " 'you have to be patient. Compromise is inherent in any legislative process, and you can't charge whitewash just because other members of the committee vote to proceed at a slower or more cautious pace than you or I think desirable.' And I pointed out that if and when the investigation *was* blocked, I myself knew how to apply pressure.

"But as things went on," Moss concluded, "Schwartz's temper got the best of him. And then all I could advise him was to get out of town and quit making statements to the press."

Schwartz himself originally sought advice from the counsels of two other Congressional committees. "Nobody disputes the fact that Schwartz is a real legal brain," one of them has said, "but as to how to run a committee investigation . . ." He rolled his eyes toward the ceiling in a gesture of hopelessness. "In our own investigation," he added, "we spent two years building a nonpartisan record on the basic outlines before we started on specific charges."

Carry Your Bags, Sir?

In the end, Schwartz was accepting advice from only one group of people in Washington, the members of the press. At one point he had laid his problems before William Blair of the New York *Times* because, as he later told the subcommittee, he was beginning to wonder whether he was "making a mountain out of a molehill" and whether "my moral standards are wrong." When he decided to fight the majority of the subcommittee openly, Schwartz did so by leaking stories to the newspapers. And the day he was fired he told the subcommittee, "Thank God for the American press," adding that his charges would never have been investigated without the help of the newspapermen.

Apparently Bernard Schwartz never considered the possibility that the interests of even the best reporter might be somewhat different from his own. But as one nationally known correspondent has said, speaking of the possibility that the subcommittee would question him about where he had obtained certain information, "I'll tell the subcommittee I'm interested in just two

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things, good government and stories for yours truly." His interest in the reputation of Bernard Schwartz was apparently a limited one.

It was hardly surprising, then, that when Schwartz decided to deliver a suitcase and two boxes full of subcommittee records to Senator Wayne Morse on the evening of his discharge, he was assisted by two of Washington's most enterprising reporters, Clark Mollenhoff of the Des Moines *Register* and Drew Pearson's chief legman, Jack Anderson. There was, if anything, even less cause for surprise two days later when the Des Moines *Register* carried a copyrighted story revealing the contents of two letters from Sherman Adams to a California attorney regarding an airline case, or when Drew Pearson's column of the following day contained exclusive information on another FCC case.

Two nights after Schwartz was fired, he picked up the phone in his apartment and listened intently to one of his favorite reporters on the other end of the line. Then his voice became almost plaintive: "But I still don't think you should print it," he said. "After all, it's just circumstantial evidence. You'll be accusing the man in the press before he's had a chance to explain."

He paused. "Well," he said doubtfully, "if you handle it that way, I suppose it might be O.K. . . ."

THE WASHINGTON press corps' interest in Schwartz came to an end a few days later. But the forces he set in motion are still very much in the news, and the argument over whether he should be blamed or praised for the sensational headlines he produced still goes on. Some claim that the young law professor destroyed by his own arrogance and impatience what could have been one of the most important legislative investigations since Charles Evans Hughes studied the insurance companies half a century ago. Others insist that a really honest and exhaustive examination of the regulatory agencies could never have gotten even a start unless Schwartz had acted precisely as he did. Of course, it remains to be seen whether the subcommittee without Schwartz will go beyond the few cases he has forced into the open.

What's Bad for General Motors Is Bad for Flint, Michigan

JAMES A. MAXWELL

THE OFFICE of the Michigan Employment Security Commission resembled the railway station of a sizable town during the Second World War. The long counter separating the clerks from the clients was marked off into twenty sections by hanging cardboard signs, and twenty solidly packed queues of men and women inched toward the counter. Outside about a dozen people were waiting to get in.

"This is about the way it is from opening to closing time every day now," a Commission employee told me. "You can get a pretty fair idea of what's happening in this town if you know how those spaces at the counter are being used. Sections 1 through 8 are for people applying for unemployment insurance for the first time; 9 through 20 are for those already on the rolls. When we need almost half the windows for the newcomers, that means a recent and rapid drop in the number of jobs around here."

Flint, with an estimated population of nearly 200,000, is a one-industry town devoted to the manufacture of General Motors automobiles and parts. In December, 1957, there were approximately 80,000 workers in the various plants and the number of unemployed was 4,500. From the first of the year until February 15, unemployment increased to 14,500 and it has been estimated that 3,000 to 5,000 more were laid off during the rest of February.

"Personally, I think this downward trend will continue until model change," my informant concluded. "We haven't had a seasonal surge of automobile buying in spring since 1955, and I doubt if there'll be one this year."

Better Sell Buick

This ominous situation is not unique to Flint. According to the January report of the Michigan Employment Security Commission, reduction of automobile production has caused "large-scale mass layoffs, curtailment of working hours and a considerable number of short-term shutdowns of manufacturing operations" throughout the state.

The production figures of Buick, by far the largest employer in Flint, show the reasons why unemployment was chronic there throughout 1957 and is acute today. Last year, the company made twenty-six per cent fewer cars than it did in 1956. In January of this year, production was only two-thirds of what it was in January, 1957. The downward trend continued in February. Usually, employment at the Buick plant remains high for at least six or seven months after the new model is introduced in October, decreases during the late spring and early summer, and reaches bottom during the month or two when equipment is being changed to produce the next year's model. The drastic layoffs at Buick this soon after the 1958 cars were introduced has caused widespread forebodings throughout the community.

Buick's troubles began last year when it lost third place in sales—behind Ford and Chevrolet—to Plymouth. Serious unemployment struck Flint in May. From May through September, an average of 20,000 people were without jobs. This number was reduced radically when the new models went on sale and it remained low until the recent layoffs.

The effect of last year's enforced idleness is now being felt in the state's unemployment-insurance program. Under Michigan law, a worker who has been employed a minimum of fourteen weeks during a twelve-month period is eligible for benefits, payable on the basis of two weeks of insurance for three weeks of work. A man with thirty-nine or more weeks of employment is entitled to the maximum of twenty-six weeks of

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unemployment insurance benefits. On the basis of his previous earnings and number of dependents, he will receive between ten and fifty-five dollars a week. The average in Flint is about thirty-six dollars.

Because of 1957 layoffs, however, many workers have comparatively brief periods of insurance coverage. More than seven hundred exhausted their benefits in January and February. According to recent estimates, 1,800 more will be forced off the rolls in March and April.

Welfare agencies are well aware of this development. At the end of February, 2,500 families were on relief in Genesee County, where Flint is located—an increase of more than 160 per cent over last year.

Retail businesses in Flint are also quite conscious of recent layoffs. Sales in January were down nearly eleven per cent from those of January, 1957. The fall in the value of building permits was even more precipitous—nearly sixty-five per cent—and the number of bus passengers dropped by twenty-four per cent. The trend was not reversed in February.

People Won't Spend

Somewhat surprisingly, bank deposits in Flint show an increase over last year. "Despite the slump, there's still a lot of money in this town," one banker told me, "but people just won't spend it. Everybody's nervous. 'Is this the beginning of a real depression or just a temporary setback?' they're asking themselves. Meanwhile, they're socking away every dollar they can."

In addition to a big backlog of savings, there is one other comparatively bright spot in Flint's economic situation today. Chevrolet, the second largest employer in the city, has continued to produce cars at about the 1957 level and layoffs have been few. However, according to the United Automobile Workers, more than half of the workers at the Chevrolet plant are now on a four-day week. But for those who are working a full-time schedule, wages are high. In November, before curtailment began, the average weekly pay in Flint was $113.91 compared with a national average of $82.92.

"We're in trouble, no doubt about that," City Manager Harold Chirgwin said, "but the town's not really

pinched yet. I'm not underestimating the problems of the people who have been laid off, but there's still a lot of money in this town. But nobody's spending it. The city's in a state of suspense.

"Some things we're doing on a purely local level will help. For example, we recently raised $25 million here—all of it from private subscriptions—for our college and cultural-development fund. With this money we'll build a branch of the University of Michigan, a high school, museums, a library, a junior college, athletic fields, a planetarium, a theater, and an art center. Then, too, I'm proposing a $4-million capital-improvements program for the city which will probably go through. These things are going to take up some of the slack in employment."

Harold F. Diehm, news editor of the Flint *Journal*, the only newspaper in the city, was also cautiously optimistic. "You must remember that, as an automobile town, we're accustomed to rapid rise and fall of employment. Our business is off, too. Ads are down from where they were last year at this time. But savings accounts are still way up and if people regain their confidence, there'll be money to buy things."

Edward T. Ragsdale, general manager of the Buick Division of General Motors, is also among the numerous businessmen in Flint who believe that the business slump stems from psychological rather than economic causes. "We're in a 'put-it-off economy,'" he says. He points out that purchasing power in 1957 reached an all-time high of $298 billion, nearly $30 billion more than in the boom year 1955. "The willingness of people to buy is the all-important factor," he says. "I believe that unemployment has reached its highest level."

Strike Talk

Businessmen and labor leaders agree that the local reluctance to make long-term financial commitments and major purchases is greatly aggravated by the forthcoming contract negotiations between the UAW and the automobile companies. A strike, perhaps a long one, is regarded as a strong possibility. Industry spokesmen say that consumer resistance to the high price of cars is the primary reason for the drop in sales, and that any major concessions to the expected union demands would be suicidal. The UAW cites the enormous profits made by most of the automobile corporations last year and seems all set to demand sweeping improvements on the present contracts. How inflexible the two sides will be when they meet at the bargaining table in April is a matter of conjecture, but most of the people I talked with in Flint are far from confident that differences will be settled peacefully.

Robert Carter, regional director of the UAW, would make no predictions about the outcome of the forthcoming negotiations, but he did say that a number of his members expect a strike and are retrenching financially in preparation for it. "Of course, the union's getting itself in shape for trouble, too, in case it comes," he said. "We have $25 million in the strike fund now and we're going to raise another $2[illegible] million through assessments. We'll have $50 million in the kitty when we start to bargain."

I asked him how concerned his men were about the current economic situation. "It depends upon whether you're talking to the older

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or the younger men," he said. "The old guys remember the depression years when there were a hundred applicants for every job, and everybody was fighting just to stay alive. The UAW was founded here, you know, and a lot of fellows were around during the sit-down strikes and the battling and everything else we had to go through to organize. These men are worried.

"The younger ones who don't remember the 1930's clearly take a more cheerful view. They're concerned, of course, but not in the same way as the men ten or fifteen years older."

"Do you see any chance for improvement in the near future?" I asked.

He shook his head. "I don't see any possibility of things getting better until fall. Maybe the new models will start the ball rolling again. All this talk about an upswing in April is just so much pie in the sky.

"You might, however, see a temporary improvement just before bargaining time. There would be two advantages for the companies in increasing production then. First, they could stockpile a lot of cars that would see them through a strike, if there is one. On the other hand, they know that the men who have been laid off and go back to work won't be anxious to hit the bricks if the union can't get what it wants at the bargaining table."

No one in town seemed more than casually interested in the possible effects of sharply increased governmental spending for armaments and the President's proposal for public works. "Everybody in this town works for General Motors, either directly or indirectly," one storekeeper said, "and that includes doctors, clerks, lawyers, and shoeshine boys. The kind of spending Washington will do won't help G.M. much. Maybe our A.C. spark-plug plant will benefit from the missile work, but that won't make much difference. We're concerned with Buick and Chevrolet, especially Buick. When Buick isn't working, this town is sick. And right now we're very sick.

"I sure hope the public likes the 1959 models," he said fervently.

President Nasser Makes a Lark Pie

RAY ALAN

"Where there were two states there is now to be only one," growled Iraqi elder statesman Nuri es-Said. "There are other names for that besides union."

Nuri Pasha was biased, of course. News of the Egyptian-Syrian merger plan had reached him at the Baghdad Pact conference in Ankara, where he was preaching the virtues of rather different proposals for Syria's future. But any merger between a more or less parliamentary multiparty régime and a one-party military dictatorship is bound to resemble the lark pie of Levantine folklore. Lark pie, according to the fictitious recipe, contains lark and

camel meat in equal proportions: one lark to one camel.

In Gamal Abdel Nasser's new creation, the flavor of camel meat is already smothering that of the Syrian bulbul. The fact that President Nasser would be head of the new United Arab Republic was announced by his Cairo press immediately after the merger was proclaimed—a week before his candidacy was "proposed" by President Shukri al-Kuwatly of Syria. Nasser personally is to nominate all Syrian as well as Egyptian representatives in the joint republic's national assembly, and a leader-worshiping National Union Party is to be the only political group allowed to operate in the Syrian province.

Nasser is even to appoint a governor for Syria along Anglo-French colonial lines, a parallel that has not gone unnoticed. One Lebanese Moslem editor, whose paper welcomed the merger, said privately: "Compared with this, the French mandatory régime was liberal." A Syrian Christian journalist commented: "In the name of Pan-Arabism, Syria is to be placed under non-Arab Egyptian rule; in the name of 'presidential democracy,' Gamal Abdel Nasser is to give us an Ottoman-type régime. The fact is, we're so disillusioned over the failure of our attempts at self-government since the French left that we're grateful to him for taking the responsibility out of our hands."

Nasser's Spring Tonic

Economically, Nasser is onto a good thing. Syria has a higher standard of living than Egypt and a greater development potential. The currency is more stable and the balance of trade less precarious. Syria has twenty times more arable land per capita than Egypt and produces four times as much grain. While the per capita output of Syrian agriculture and industry has risen steadily since 1950, Egypt's has fallen. Beirut economists put Syria's national income at $150 per capita in 1957 (against $120 in 1953) and Egypt's at $100 ($115 in 1953).

The western-owned pipelines that carry Arabian and Iraqi oil to the Mediterranean all cross Syrian territory. Nasser has already announced his intention of "Arabizing" them and has invited interested Arab governments to a conference to fix the procedure and apportion the take.

Politically, the merger perked up his régime like a spring tonic. At home, his halfhearted program of agrarian reform had fizzled out. Corruption and inefficiency had stalled even his Liberation Province showpiece, in which, after four years, only four out of a projected 130 villages had been completed. Leaflets denouncing the "new nepotism" of Egypt's pashas in uniform (the junta's habit of giving its favorites

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the pick of administrative posts at the expense of qualified civilians) were circulating among the growing army of university-educated unemployed. Disillusionment with the régime had even begun to infect the controlled press and the hand-picked national assembly.

NASSER'S diplomatic balance sheet was equally unimpressive. His only Arab allies were unstable Syria and medieval Yemen. Not only distant Tunisia and Morocco but neighboring Sudan and Libya and nearby Lebanon had turned their backs on his blandishments. The press and radio stations of Iraq and Jordan mocked him and kept alive the memory of Israel's deflation of his braggadocio in Sinai. The terror tactics of his *fedayeen* and military attachés were still remembered and resented throughout the region; they, far more than the Eisenhower Doctrine, had lost him King Saud's support.

And then, overnight, he was a hero again. "O Nasser! O Gamal! O Giant! O Scourge of Imperialism!" chanted the Cairo crowds. Pro-western Libyans, Lebanese, and Tunisians had to pretend to cheer as well; and envoys of the Arab kings shuttled anxiously around the triangle Riyadh-Amman-Baghdad. Nasser was a power once more. Yet the initiative that had revived him was Syrian, not Egyptian, and left-wing Syrian at that.

Sleepless Nights in Syria

Two generations of Arabic-speaking schoolchildren have been taught to regard the medieval Islamic empire as the apex of history. But the yearning thus aroused for reunification of the Arabized peoples and a revival of past glories has rarely been taken seriously, except as a political gimmick, by the rulers and politicians of the region. Existing rulers have, after all, a vested interest in preserving existing régimes.

In Egypt, moreover, until the new Pan-Arab education took hold, intellectuals and nationalists were inspired more by Pharaonic than by Arab history; and up to the formation of the Arab League (an early British experiment in artificial insemination), Egyptian political leaders considered their country an African rather than an Arab power. They were converted to the Arab League idea primarily by the suspicion that Britain was exploiting Pan-Arabism in order to weld Iraq, Transjordan, Syria, and Arab Palestine into a Hashemite-governed federation with which to isolate and outweigh Egypt. (And, like Whitehall, they had hopes of "using" the Arab League—in their case to obtain a British evacuation.)

Egyptian officials admit that the proclamation of the United Arab Republic was precipitated—though they prefer the word "advanced"—by similar stimuli, specifically Secretary Dulles's overpublicized trip to the Baghdad Pact meeting in Ankara. Syrian leftists had already lost a lot of sleep in recent months over, successively, the maneuverings of the U.S. Sixth Fleet, a rumored Hashemite (Iraqi-Jordanian) plan to "thrash Syria," and a Turkish invasion scare. Now, Levantine scare mills proclaimed, Americans, Hashemites, and Turks were about to combine their efforts to topple the Damascus régime.

Unrest among Syria's traditionally troublesome Druze minority, whose relations with both Hashemites and Israelis are generally good, and the discovery of anti-government leaflets and arms caches in the Druze province stimulated Damascene fears. Military garrisons in Druze areas were reinforced, and Syria's leftist chief of staff, General Afif Bizri, flew to Cairo.

The existing Syrian-Egyptian joint military command, he told Nasser, was not enough to deter the Baghdad Pact powers. Nothing less than political federation of the two countries would suffice. President Shukri al-Kuwatly of Syria backed Bizri in a personal letter to Nasser.

THEN Syrian Foreign Minister Salah Bitar, a shrewd Ba'ath "socialist," arrived in Cairo. Behind Bizri's back, he informed Nasser that the Syrian cabinet feared its chief of staff was getting too big for his boots. While favoring closer ties with Egypt, it did not wish Bizri's talks with Nasser to reach any conclusion that he might use back home to enhance his personal prestige and that of his pro-Soviet brother (Colonel Salah Bizri) and political associates. Perhaps President Nasser would submit counterproposals for consideration by the cabinet?

Nasser obliged: he proposed outright union of Egypt and Syria. Union, he is reported to have argued, would shield Syria from possible Baghdad Pact intrigues far more effectively than federation. Iraq and Jordan might ask to join a federation, with the aim of disrupting it from within and reducing it to the impotence of the Arab League. But they could join a union only on his terms—which would mean liquidation of their present régimes.

President Kuwatly, aging and ailing, approved Nasser's plan at once. Levantine cynics say Kuwatly's principal aim was to bar the presidency to the only two men who might have succeeded him: Defense Minister Khaled el-Azm, the "fellow-traveling millionaire" with whom he has been feuding for the last ten years, and Vice-President Akram Hourani, leader of the Ba'ath Party, whom he likes little more. The shrinking, apprehensive National Party, with which Kuwatly and Premier Sabri el-Assali are associated, followed suit. It had been living in fear of the Ba'ath-Communist ax for months, and clutched the Nasser plan with gratitude. The Ba'ath Party and the upper eche-

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lons of the officers' corps were divided, but within a few days Hourani and Bitar in the former and intelligence chief Colonel Abdul Hamid Serraj in the latter had carried the day in favor of union.

Where the Kudos Lies

Only the People's Party and the Communists remained in opposition. The People's Party, mouthpiece of the northern merchants, would have preferred union with Iraq, commercially a more attractive prospect for Syria, but outside Aleppo its influence is now slight. The Communists disliked the idea of going into voluntary liquidation (there is more kudos in being banned) but could not afford to let the Ba'ath and National Parties outflank them on so popular an issue.

To facilitate the Communists' integration into the new union, their stiff-necked leader, Khaled Bakdash, departed for Moscow with his wife and children. He had recently been rapped over the knuckles by Moscow for tactlessly encouraging senior military allies of his party to advance Communist stalwarts at the expense of Ba'ath men, and his absence will undoubtedly favor Russia's current policy of working with and through non-Communist "left-nationalist" movements in the Levant. His departure does not mean that pro-Soviet influence in Syria is on the wane. He has retired to Moscow or gone underground before from time to time, only to reappear with a greater following than ever. Russophile officers, officials, intellectuals, and teachers—ex-Ba'athists as well as ex-Communists—will still be influential in the Syrian half of the U.A.R., whether or not they join the official National Unity Party.

Foreign-policy differences between Communists and N.U.P. men are in any event slight. Both speak the same basic neutralese (for the Communists are not so silly as to advocate joining the Warsaw Pact); only their accents differ. Where they really part company is in the economic field. Nasser's N.U.P. calls itself "socialist and co-operative" but without defining these terms; its propagandists justify state control of certain sectors of the economy—as of education, broadcasting, and the press—by nationalistic rather than socialistic arguments. In short the N.U.P. has no coherent economic policy, whereas the Communists have. Therein lies the danger.

Unless Nasser can make a bigger economic success of the U.A.R. than he has of Egypt alone in recent years, articulate Syrian opinion may well incline to the belief that Communism or something like it is the answer after all. The seeds of such a belief have already been sown by years of Communist and pseudo-socialist propaganda, and factors favorable to its growth were at work within three weeks of the merger announcement. Capital was being transferred out of Syria to Beirut as fast as its owners could move it, and the Syrian lira was slumping badly on the Beirut free market. Feebly, the Syrian Ministry for Economic

Affairs pleaded that definite plans for economic union with Egypt had not yet been drawn up. It was embarrassingly clear to the ministry's officials that mere apprehension of such a union was already eroding the foundations of Syria's entrepreneurial prosperity.

A Pattern of Cheers

In this context, the cheers raised for Nasser and the U.A.R. throughout Syria meant little. Syrians cheered just as loudly when Colonel Husni Zaim overthrew their first "parliamentary" régime and exiled President Kuwatly in 1949. They cheered again when Colonel Hinnawi liquidated Zaim, again when Colonel Shishekly ousted Hinnawi, again when Shishekly was chased over the border by another military group, and again when Kuwatly returned. On each occasion the same delegations of notables flocked to congratulate the new incumbent and swear undying loyalty to him.

The fervor the Syrian-Egyptian merger evoked in other parts of the Near East was more important. Within a matter of days it had deepened internal divisions in Lebanon, widened the breach between King Saud and his pro-Egyptian brother, Foreign Minister Faisal, and spurred the Imam of Yemen (fresh from uncovering another plot) to reassert his fealty to Cairo. In addition, Kings Feisal of Iraq and Hussein of Jordan proclaimed a Hashemite Federal Union, scaring the isolationist billionaires who rule Kuwait and Bahrein into contemplating joining the Hashemite club.

The Hashemite monarchs say their aim is political federation (with Feisal as "paramount sovereign") and economic union. Their plan could mean salvation for bankrupt Jordan if it earmarked an adequate share of Iraq's oil wealth to finance development there, but it could have explosive consequences for both kings in the absence of any effective follow-up—if, in other words, their subjects came to consider it a mere political tranquilizer. The suspicion that it is no more than this exists already: the Amman proclamation aroused less enthusiasm in Jordan and Iraq than the Syrian-Egyptian merger.

President Nasser congratulated King Feisal on the Hashemite federation but pointedly ignored Hussein, and Radio Cairo said the plan was drawn up only after collusion with Israel. The Syrian state radio and press lambasted it as an imperialist plot, and reported the capture of "Hashemite and imperialist agents" who had entered Syria from Jordan and Lebanon with the aim of "stirring up opposition to the U.A.R. and buying support for the Hashemite federation"; they would be tried by a military court.

Iraq's Choice

Egyptian officials wondered aloud "when" Iraq would leave the Baghdad Pact, since it was scarcely possible for only half a political entity to be a member of an alliance. There could surely be no question of exploiting the federation plan as a trick to drag Jordan into the pact. The same officials suggested that if the Hashemites pulled this one, the U.A.R. might campaign for self-

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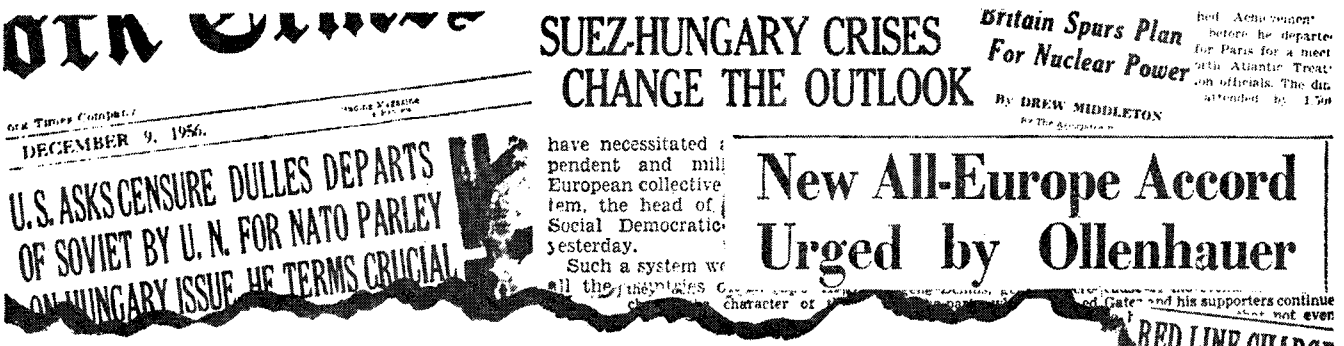

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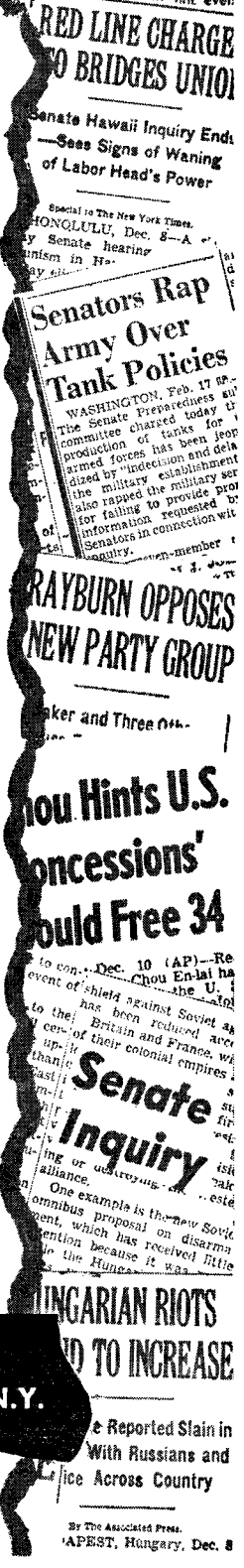

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determination for the Arabs of eastern Palestine, as provided for in the U.N.'s 1947 partition resolution. Given an opportunity, the Palestinian Arabs would undoubtedly choose union with the U.A.R. rather than with the Hashemites, thus convulsing the royal federation from the start.

Hashemite propagandists, meanwhile, lost no time in viciously attacking the new union. Fadhil el-Jamali, a former premier and now the foreign minister of Iraq, denounced it as "artificial . . . the offspring of demagogy and personal self-seeking . . . a threat to the Arab's true interests and to Iraq in particular." It served no one but the Communists, raising even higher the fence Communism had erected around Syria and Egypt to separate them from the Arab world. But, he went on, Iraq would save the situation; Iraq would not permit this Communist-inspired plot to succeed: Iraq and Syria were inseparable and it was with Iraq that Syria should logically merge.

For all the statecraft and constitutional draftsmanship that were being deployed, the basic pattern in the Arab Near East was not greatly changed: an Egyptian-dominated bloc feuding with a Hashemite bloc and the Saudis squatting on the sidelines—all three proclaiming their devotion to Arab unity.

In Cairo, painters were putting the final coat of gloss on a new thirty-five-story skyscraper, the capital's tallest building. Set back half a block from the right bank of the Nile, it is a magnificent landmark, visible all over the city. It might be a symbol of Arab unity.

Yet superb as it is, and in appearance all but complete, no one can say when it will be occupied. Its upper floors are beyond the reach of Cairo's water supply; its basement has been threatened by infiltration from the Nile; the city's fire department is grumbling that it is not equipped to deal with skyscrapers; and structural weakness is suspected. Nevertheless, a leading Cairo weekly commented, these minor inconveniences do not detract from the building's magnificence: it must still be considered an outstanding technical achievement.

Views & Reviews

Scenes from the Life Of a Double Monster

A Short Story

VLADIMIR NABOKOV

Some years ago Dr. Fricke asked Lloyd and me a question that I shall try to answer now. With a dreamy smile of scientific delectation he stroked the fleshy cartilaginous band uniting us—*omphalopagus diaphragmo-xiphodidymus,* as Pancoast has dubbed a similar case—and wondered if we could recall the very first time either of us, or both, realized the peculiarity of our condition and destiny. All Lloyd could remember was the way our Grandfather Ibrahim (or Ahim, or Ahem—irksome lumps of dead sounds to the ear of today!) would touch what the doctor was touching and call it a bridge of gold. I said nothing.

Our childhood was spent atop a fertile hill above the Black Sea on our grandfather's farm near Karaz. His youngest daughter, Rose of the East, gray Ahem's pearl (if so, the old scoundrel might have taken bet-

ter care of her) had been raped in a roadside orchard by our anonymous sire and had died soon after giving birth to us—of sheer horror and grief, I imagine. One set of rumors mentioned a Hungarian peddler; another favored a German collector of birds or some member of his expedition—his taxidermist, most likely. Dusky, heavily necklaced aunts, whose voluminous clothes smelled of rose oil and mutton, attended with ghoulish zest to the wants of our monstrous infancy.

Soon neighboring hamlets learned the astounding news and began delegating to our farm various inquisitive strangers. On feast days you could see them laboring up the slopes of our hill, like pilgrims in bright-colored pictures. There was a shepherd seven feet tall, and a small bald man with glasses, and soldiers, and the lengthening shadows of cypresses. Children came too, at all times, and were shooed away by our jealous nurses; but almost daily some black-eyed, cropped-haired youngster in dark-patched, faded-blue pants would manage to worm his way through the dogwood, the honeysuckle, the twisted Judas trees, into the cobbled court with its old rheumy fountain where little Lloyd and Floyd (we had other names then, full of corvine aspirates—but no matter) sat quietly munching dried apricots under a whitewashed wall. Then, suddenly, the aitch would see an eye, the Roman two a one, the scissors a knife.

There can be, of course, no comparison between this impact of knowledge, disturbing as it may have been, and the emotional shock my mother received (by the way, what clean bliss there is in this deliberate use of the possessive singular!). She must have been aware that she was being delivered of twins, but when she learned, as no doubt she did, that the twins were conjoined ones—what did she experience then? With the kind of unrestrained, ignorant, passionately communicative folks

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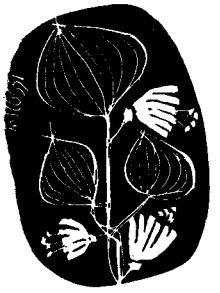
that surrounded us, the highly vocal household just beyond the limits of her tumbled bed must, surely, have told her at once that something had gone dreadfully wrong; and one can be certain that her sisters, in the frenzy of their fright and compassion, showed her the double baby.

I am not saying that a mother cannot love such a double thing—and forget in this love the dark dews of its unhallowed origin; I only think that the mixture of revulsion, pity, and a mother's love was too much for her. Both components of the double series before her staring eyes were healthy, handsome little components, with a silky fair fuzz on their violet-pink skulls, and well-formed rubbery arms and legs that moved like the many limbs of some wonderful sea animal. Each was eminently normal, but together they formed a monster. Indeed, it is strange to think that the presence of a mere band of tissue, a flap of flesh not much longer than a lamb's liver, should be able to transform joy, pride, tenderness, adoration, gratitude to God into horror and despair.

In our own case everything was far simpler. Adults were much too different from us in all respects to afford any analogy, but our first coeval visitor was to me a mild revelation. While Lloyd placidly contemplated the awe-struck child of seven or eight who was peering at us from under a humped and likewise peering fig tree, I remember appreciating in full the essential difference between the newcomer and me. He cast a short blue shadow on the ground, and so did I; but in addition to that sketchy, and flat, and unstable companion which he and I owed to the sun and which vanished in dull weather, I possessed yet another shadow, a palpable reflection of my corporal self, that I always had by me, at my left side, whereas my visitor had somehow managed to lose his, or had unhooked it and left it at home. Linked Lloyd and Floyd were complete and normal; he was neither.

But perhaps, in order to elucidate these matters as thoroughly as they deserve, I should say something of still earlier recollections. Unless adult emotions stain past ones, I think I can vouch for the memory of a faint disgust. By virtue of our anterior duplexity, we lay originally front to front, joined at our common navel, and my face in those first years of our existence was constantly brushed by my twin's hard nose and wet lips. A tendency to throw our heads back and avert our faces as much as possible was a natural re-



action to those bothersome contacts. The great flexibility of our band of union allowed us to assume reciprocally a more or less lateral position, and as we learned to walk, we waddled about in this side-by-side attitude, which must have seemed more strained than it really was, making us look, I suppose, like a pair of drunken dwarfs supporting each other. For a long time we kept reverting in sleep to our fetal position, but whenever the discomfort it engendered woke us up, we would again jerk our faces away, in regardant revulsion, with a double wail.

I insist that at three or four years of age our bodies obscurely disliked their clumsy conjunction, while our minds did not question its normalcy. Then, before we could have become mentally aware of its drawbacks, physical intuition discovered means of tempering them, and thereafter we hardly gave them a thought. All our movements became a judicious compromise between the common and the particular. The pattern of acts prompted by this or that mutual urge formed a kind of gray, evenly woven, generalized background against which the discrete impulse, his or mine, followed a brighter and sharper course; but (guided as it were by the warp of the background pattern) it never went athwart the common weave or the other twin's whim.

I am speaking at present solely of our childhood, when nature could not yet afford to have us undermine our hard-won vitality by any conflict between us. In later years I have had occasion to regret that we did not perish or had not been surgically separated before we left that initial stage at which an ever-present rhythm, like some kind of remote tom-tom beating in the jungle of our nervous system, was alone responsible for the regulation of our movements. When, for example, one of us was about to stoop to possess himself of a pretty daisy and the other, at exactly the same moment, was on the point of stretching up to pluck a ripe fig, individual success depended on chance: either his or my movement happened to conform to the current ictus of our common and continuous rhythm, whereupon, with a very brief, chorea-like shiver, the interrupted gesture of one twin would be swallowed and dissolved in the enriched ripple of the other's completed action. I say "enriched" because the ghost of the unpicked flower somehow seemed to be also there, pulsating between the fingers that closed upon the fruit.

There might be a period of weeks and even months when the guiding beat was much more often on Lloyd's side than on mine, and then a period might follow when I would be on top of the wave; but I cannot recall any time in our childhood when frustration or success in these matters provoked in either of us resentment or pride.

Somewhere within me, however, there must have been some sensitive cell wondering at the curious fact of a force that would suddenly sweep me away from the object of a casual desire and drag me to other, uncoveted things that were thrust into the sphere of my will instead of being consciously reached for and enveloped by its tentacles. So, as I watched this or that chance child who was watching Lloyd and me, I remember pondering a twofold problem: first, whether, perhaps, a single bodily state had more advantages than ours possessed; and second, whether *all* other children were single. It occurs to me now that quite often problems puzzling me were twofold. Possibly a trickle of Lloyd's cerebration penetrated my mind and one of the two linked problems was his.

When greedy Grandfather Ahem

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decided to show us to visitors for money, among the flocks that came there was always some eager rascal who wanted to hear us talk to each other. As happens with primitive minds, he demanded that his ears corroborate what his eyes saw. Our folks bullied us into gratifying such desires and could not understand what was so distressful about them. We could have pleaded shyness; but the truth was that we never really *spoke* to each other, even when we were alone, for the brief broken grunts of infrequent expostulation that we sometimes exchanged (when, for instance, one had just cut his foot and had had it bandaged and the other wanted to go paddling in the brook) could hardly pass for a dialogue. The communication of simple essential sensations we performed wordlessly: shed leaves riding the stream of our shared blood. Thin thoughts also managed to slip through and travel between us. Richer ones each kept to himself, but even then there occurred odd phenomena. This is why I suspect that despite his calmer nature, Lloyd was struggling with the same new realities that were puzzling me. He forgot much when he grew up. I have forgotten nothing.

NOT ONLY did our public expect us to talk, it also wanted us to play together. Dolts! They derived quite a kick from having us match wits at checkers or *muzla*. I suppose that had we happened to be opposite-sex twins they would have made us commit incest in their presence. But since mutual games were no more customary with us than conversation, we suffered subtle torments when obliged to go through the cramped motions of bandying a ball somewhere between our breastbones or making believe to wrest a stick from each other. We drew wild applause by running around the yard with our arms around each other's shoulders. We could jump and whirl.

A salesman of patent medicine, a bald little fellow in a dirty-white Russian blouse who knew some Turkish and English, taught us sentences in these languages, and then we had to demonstrate our ability to a fascinated audience. Their ardent faces still pursue me in my nightmares, for they come whenever my dream producer needs supers. I see again the gigantic bronze-faced shepherd in multicolored rags, the soldiers from Karaz, the one-eyed hunchbacked Armenian tailor (a monster in his own right), the giggling girls, the sighing old women, the children, the young people in western clothes—burning eyes, white teeth, black gaping mouths; and, of

course, Grandfather Ahem, with his nose of yellow ivory and his beard of gray wool, directing the proceedings or counting the soiled paper money and wetting his big thumb. The linguist, he of the embroidered blouse and bald head, courted one of my aunts but kept watching Ahem enviously through his steel-rimmed spectacles.

BY THE AGE OF NINE, I knew quite clearly that Lloyd and I presented the rarest of freaks. This knowledge provoked in me neither any special elation nor any special shame; but once a hysterical cook, a mustached woman who had taken a great liking to us and pitied our plight, declared with an atrocious oath that she would, then and there, slice us free by means of a shiny knife that she suddenly flourished (she was at once overpowered by our grandfather and one of our newly acquired uncles); and after that incident I would often dally with an indolent daydream, fancying myself somehow separated from poor Lloyd, who somehow retained his monsterhood.

I did not care for that knife business, and, anyway, the manner of separation remained very vague; but I distinctly imagined the sudden melting away of my shackles and the feeling of lightness and nakedness that would ensue. I imagined myself climbing over the fence—a fence with bleached skulls of farm animals that crowned its pickets—and descending toward the beach. I saw myself leaping from boulder to boulder and diving into the twinkling sea, and scrambling back onto the shore and scampering about with other naked children. I dreamed of this at night—saw myself fleeing from my grandfather and carrying away with me a toy, or a kitten, or a little crab pressed to my left side. I saw myself meeting poor Lloyd, who appeared to me in my dream hobbling along, hopelessly joined to a hobbling twin, while I was free to dance around them and slap them on their humble backs.

I wonder if Lloyd had similar visions. It has been suggested by doctors that we sometimes pooled our minds when we dreamed. One gray-blue morning he picked up a twig and drew a ship with three masts in the dust. I had just seen myself drawing that ship in the dust of a dream I had dreamed the preceding night.

AN AMPLE black shepherd's cloak covered our shoulders, and as we squatted on the ground, all but our heads and Lloyd's hand was concealed within its falling folds. The sun had just risen and the sharp March air was like layer upon layer of semitransparent ice through which the crooked Judas trees in rough bloom made blurry spots of purplish pink. The long low white house behind us, full of fat women and their foul-smelling husbands, was fast asleep. We did not say anything; we did not even look at each other; but, throwing his twig away, Lloyd put his right arm around my shoulder, as he always did when he wished both of us to walk fast, and with the edge of our common raiment trailing among dead weeds, while pebbles kept running from under our feet, we made our way toward the alley of cypresses that led down to the shore.

It was our first attempt to visit the sea that we could see from our hilltop softly glistening afar and leisurely, silently breaking on glossy rocks. I need not strain my memory at this point to place our stumbling flight at a definite turn in our destiny. A few weeks before, on our twelfth birthday, Grandfather Ibrahim had started to toy with the idea of sending us in the company of our newest uncle on a six-month tour through the country. They kept haggling about the terms, and had quarreled

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and even fought, Ahem getting the upper hand.

We feared our grandfather and loathed Uncle Novus. Presumably, after a dull forlorn fashion (knowing nothing of life, but being dimly aware that Uncle Novus was endeavoring to cheat Grandfather) we felt we should try to do something in order to prevent a showman from trundling us around in a moving prison, like apes or eagles; or perhaps we were prompted merely by the thought that this was our last chance to enjoy by ourselves our small freedom and do what we were absolutely forbidden to do: go beyond a certain picket fence, open a certain gate.

We had no trouble in opening that rickety gate, but did not manage to swing it back into its former position. A dirty-white lamb with amber eyes and a carmine mark painted upon its hard flat forehead followed us for a while before getting lost in the oak scrub. A little lower, but still far above the valley, we had to cross the road that circled around the hill and connected our farm with the highway running along the shore. The thudding of hooves and the rasping of wheels came descending upon us and we dropped, cloak and all, behind a bush. When the rumble subsided, we crossed the road and continued along a weedy slope. The silvery sea gradually concealed itself behind cypresses and remnants of old stone walls. Our black cloak began to feel hot and heavy but still we persevered under its protection, being afraid that otherwise some passer-by might notice our infirmity.

We emerged upon the highway, a few feet from the audible sea—and there, waiting for us under a cypress, was a carriage we knew, a cartlike affair on high wheels, with Uncle Novus in the act of getting down from the box. Crafty, dark, ambitious, unprincipled little man! A few minutes before, he had caught sight of us from one of the galleries of our grandfather's house and had not been able to resist the temptation of taking advantage of an escapade which miraculously allowed him to seize us without any struggle or outcry. Swearing at the two timorous horses, he roughly helped us into the cart. He pushed our heads down and threatened to hurt us if we attempted to peep from under our cloak. Lloyd's arm was still around my shoulder, but a jerk of the cart shook it off. Now the wheels were crunching and rolling. It was some time before we realized that our driver was not taking us home.

TWENTY YEARS have passed since that gray spring morning, but it is much better preserved in my mind than many a later event. Again and again I run it before my eyes like a strip of cinematic film, as I have seen great jugglers do when reviewing their acts. So I review all the stages and circumstances and incidental details of our abortive flight—the initial shiver, the gate, the lamb, the slippery slope under our clumsy feet. To the thrushes we flushed we must have presented an extraordinary sight, with that black cloak around us and our two shorn heads on thin necks sticking out of it. The heads turned this way and that, warily, as at last the shoreline highway was reached. If at that moment some adventurous stranger had stepped onto the shore from his boat in the bay, he would have surely experienced a thrill of ancient enchantment to find himself confronted by a gentle mythological monster in a landscape of cypresses and white stones. He would have worshiped it, he would have shed sweet tears.

But, alas, there was nobody to greet us there save that worried crook, our nervous kidnaper, a small doll-faced man wearing cheap spectacles, one glass of which was doctored with a bit of tape.

Moses in Munich

MORRIS PHILIPSON

A TRAVELER who is not fluent in a foreign language has perforce to be what the Germans call an "eye person." He inhabits a silent world where the speech he hears about him is not really language but only background music. In the foreground is what he sees. And if the unavoidable tourist's question hums in his ear—"What are the people thinking?"—he can only hope to answer it indirectly through what the people show to his eyes.

There is a new work of art in Munich that is very much worth

such a tourist's attention. It is a fountain-statue representing Moses in the desert striking a rock to bring forth water. As an integrated work of art, the statue is admirable: stark, forceful, and intelligent, dramatic and compassionate. But as soon as you withdraw from an isolated experience of the work itself and realize where it is—look at its environment—you recognize its significance as a surprising cultural symbol.

A tourist wandering around Munich, from the railroad station to the Marienplatz, up through the Hof garden and the Odeon Square over to "Stachus," the center of the town, has only to keep his eyes open to read the story of the years since 1945. The destruction left by the bombings still shares half the scene. Many stores operate on the ground floor of buildings whose upper stories remain hollow and charred. The great dome of the post office is stripped, its black ribs exposed to the sky; the Residenz Palace is shattered; the Opera is gutted, its huge façade pillars supporting open air.

But Munich has been famous as an "artistic" city, where nineteenth-century architects decorated the fronts of buildings with plaster statues. Pieces of sculpture are as

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much "public property" as the architecture. There is, for example, a cast-bronze holy man who is seated sideways on a kneeling donkey and holds a small cross high above his head. It stands on a pedestal at eye level, surrounded in the daytime by the push-carts of the flower vendors. Another statue is a smiling hippopotamus in white stone, sculpted with both humor and pathos. It is about ten feet long and low enough to serve as a bench.

One of the most attractive architectural accomplishments is the new Maxburg square of buildings at the

center of the city. Elegant shops line three sides of the large grassy courtyard, and office buildings rise above them. The new Justice Building stands at the fourth side. When you enter the courtyard, the ruins all about are just out of sight; dominating the courtyard is the statue-fountain by the Munich artist Josef Henselmann: Moses bringing water out of a rock.

YOU SUDDENLY recognize the implications. All through the city stand the vestiges of the German calamity: the windowless brick walls that surround the empty lots, the mounds of weed-covered spaces where buildings used to stand, the piles of cobblestones on sidewalks where streets have still to be repaired, and side by side with these are the new houses, the new stores, the new factories. You look about at the Maxburg buildings themselves—slick with broad windows, glass, steel, gray and white stone. And over the tops of the four-story buildings you see the completely bombed but now repaired twin onion-shaped towers of the Cathedral. Water in the desert.

Of all the possible representations of rebirth, of resurrection after catastrophe, it seems particularly appropriate that this image was chosen rather than, say, the phoenix rising from its ashes. Not a symbol from Greek or Teutonic mythology, but the figure of the great Jewish prophet of the Old Testament: Moses the lawgiver, the arbiter of justice, the smasher of the idol of the golden calf, the teacher who subordinated man's immediate wants to eternal sanctions.

A Palmful of Water

What you see is a rock some twelve feet high, a wavering flame-shaped rock, uneven, rough, slender but broad, gray-tan in color, rising solitary from its narrow base. On top of the stone stands the bronze figure of a man holding a staff straight down before him. From the tip of the staff, where it strikes the rock between his legs, an arch of water sprays out into the free-form pool below. A thin stream of water also flows from his outstretched hand along the clifflike length of the stone.

The dramatic moment has been made marvelously vivid: Moses in the desert has struck the stone, knelt down and cupped a palmful of the water into his hand, risen again to let a line of water run out of his hand, showing his people that they will not die of thirst. It is not the audacious physical moment of actively striking the rock or the private experience of taking up the water in his own hand, but the public act of showing his people reason for hope.

The figure of the Prophet is compelling. He is a tall man, lean and broad-shouldered, his weight pressing down against the staff. His wide shoulders are arched heavily forward and his head thrust out powerfully. The musculature is not exaggerated. A sacklike robe clothes him, with a circle cut for his neck and one for his bare arm. The bronze staff with which he struck the rock is a branch still fresh with the stumps of broken twigs.

In the face, staring steadily ahead, the features are minimized. The knotted hair clings close to the head, the eyes are shadowed, the nose short and straight, the lips slightly puckered, the chin strong in the square jaw. The expression might be that of the instant after Moses has shouted "Behold!" to his thirst-parched people and let the water begin to trickle from his hand.

The facial expression is neither vain nor victorious. It is marked rather by an earnestness which, coupled with the posture of the heavily burdened shoulders, makes for restraint and humility. It is the expression of a man who knows the urgency of the need and the power (even the overstepping of divine power) with which he had fulfilled it. It is the humility of a man who understands that he has performed a miracle and is aware already of what it will cost him: he will not live to enter the Promised Land.

YOU CANNOT help wondering whether these associations and reflections are justified. Are any broad cultural implications warranted? To what extent was there conscious intention in the use of Moses as a symbol?

Fortunately, I was able to question the sculptor himself on this point. Professor Henselmann is the head of Munich's Academy of Fine Arts, a mild-mannered and modest man in his fifties, a staunch Catholic of peasant stock. When I asked him how the subject had been chosen for the fountain, he answered that he had been given perfect freedom to choose his own theme. No one—City Council, which supported the project, the construction company, or the architect of the buildings—had

exerted any influence in this respect. Then why had he decided on it? He pondered the question for a while before saying, with complete unpretentiousness, "I thought it would be the most beautiful statue I could make."

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Theater:

The Player's the Thing

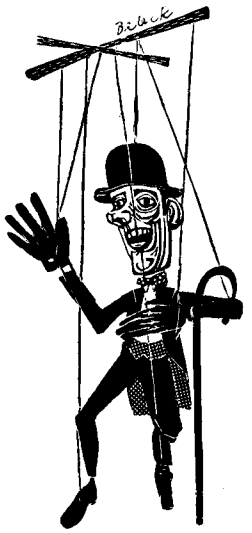
MARYA MANNES

IN A PEEVISH introduction to *The Entertainer* pricked with references to "underprivileged vultures" (critics), "middle-class observers," "prissy-voiced complaints," and his own talent, John Osborne has the grace to call Sir Laurence Olivier's assumption of the title role a "superb advantage."

He was never more right. For this great actor dazzles. His performance as a fourth-rate down-at-heel music-hall comic is such a transformation that every stale dirty joke, every obscene roll of the eye or hunch of the shoulders, rivets the eye and ear. It is almost inconceivable that this flat-headed, aging cheapskate with the retracted neck and nasal speech, this very bad comedian and very hollow man, could be the noble and vulnerable Hamlet or the buoyant and lordly Henry V. It is also further evidence that only the repertory system, which England provides, can give a talent as prodigious as Olivier's the full range and skill such rigorous training develops. A star system is not the way to produce a star.

But only when Olivier and Brenda de Banzie as Archie Rice's ruined, sodden, and pitiable wife are on the stage together does the play give any appearance of substance. I say "substance" rather than "reality," for Osborne is a shrewd and accurate observer, and I do not doubt that such people exist in such ways. And I say "appearance" because when all is said and done, much is spoken and little done. Failure is tragic only when there is evidence of human virtue in the one who fails. Of this there is a trace in Phoebe Rice—brilliantly exploited by Brenda de Banzie—and that is why she evokes sympathy.

YET THERE IS none in Archie, the play's core. Osborne gives him a theatrically tear-jerking speech in which he tells his daughter that long ago a Negro woman's spiritual opened the door to a moment's truth and grace, and there is an equally contrived scene in which news of his son's death impels the drunken Archie to raise a cracked and blasted voice in the same remembered song. But all that the evening gives us, apart from these very tenuous indications of heart, is the sight of



Archie's further descent and dissolution, of the family he drags with him, and of a kind of life that is vanishing from England.

Now, much has been said, by critics and author alike, of the analogy between the downward spiral of Archie and that of Britain's glory. Archie's old-pro father Billy Rice is a clear symbol of the old order, with his dignity, gentility, and horror of new ways. But he is a victim not so much of them as of his son's ruthless egoism. And the play, set expediently in the time of the Suez crisis, is studded with childish clichés on upper-class thinking and the monarchy's hollow hold on the muddled masses. "What does it all add up to?" asks Archie's daughter with the familiar cry of the lost or beat generation's pity for self.

Osborne plainly wants us to believe that Archie's descent and the end of his way of life is a direct result of the welfare state, in which the individual is no longer permitted to survive, in which apathy replaces ambition, and in which the powerful persistent illusions of the old order have a death grip on present realities.

But I find this analogy as hollow as the play. Certainly, the music-hall comic, so beloved a figure of the English past, is dying out along with the seedy halls that housed him, and there is legitimate sadness in the end of this very private enterprise so widely shared. There is no question that this special British nostalgia, royally fed by Archie's songs and jokes and gestures and allusions, accounted for much of the play's success in London.

No Value, No Special Qualities

To make Archie Rice a symbol of any value, except possibly that of perseverance, is pointless. He merely is an untalented and unpleasant professional who didn't get the hook soon enough. Nor do the members of his family represent any special qualities that the new England has sacrificed and should now miss. They are loyal to each other in their own way, even in bankruptcy and folly, but that is an enduring British trait of all classes, hardly confined to playwright Osborne's proletarian fable.

In *The Entertainer,* Osborne's thinking is no clearer than in *Look Back in Anger,* and the protest is even less motivated. But in the first play the characters had the fascination of freshness, the dialogue was electric, and the course of action sustained.

The Entertainer, in contrast, has little shape, being merely an alternation of episodes before and behind the music-hall curtain. And the dialogue, three-fourths composed of Archie's grotesque routines into a mike, is true to character and atmosphere without advancing action. The play doesn't develop; it erodes. I prefer not to think what it would have been without Sir Laurence Olivier and Brenda de Banzie. They prove that in the art of acting, among other virtues, England is gloriously alive.

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What This Country Needs Is a Good $5 Psychotherapist

MAYA PINES

SOCIAL CLASS AND MENTAL ILLNESS, by **August B. Hollingshead and Fredrick C. Redlich.** *Wiley. $7.50.*

Does mental illness among the poor differ from mental illness among the rich? The very question arouses resentment among people to whom "social class" and "mental illness" are equally unwelcome facts of life, which they would rather ignore. But this far-reaching study by two Yale professors—a psychiatrist and a sociologist—reveals significant differences in symptoms and shocking differences in treatment.

In no field of medical practice are the lower classes, as defined in sociologist Hollingshead's "Index of Social Position," so consistently discriminated against as in mental illness. In no field does class bias on the part of the professionals, as described by psychiatrist Redlich, bear such serious consequences. What it means is simply this: adequate psychiatric treatment remains beyond reach for two-thirds of the population. When a lower-class person becomes psychotic, he is committed to an overcrowded, understaffed state hospital from which he has little chance to emerge. If he is an alcholic, a drug addict, or a sexual deviate of the type which, when found among the upper classes, would be sent to a psychiatrist, he usually ends up in jail.

It is not only a matter of economics, either. If he is lucky enough to be admitted to one of the few low-cost psychiatric clinics ostensibly run for his benefit, he draws the least experienced person on the staff, receives less attention than any patient higher on the social scale, and hardly ever gets any psychotherapy. Even if by some miracle he does see a psychotherapist, his doctor probably finds him extremely unpleasant and almost impossible to understand.

The fact that such discrimination existed in the large psychiatric clinic of a New Haven community hospital came as a complete surprise to the clinic's directors; it was certainly not planned that way. None of these injustices was at all deliberate, as the authors take pains to make clear. They are the natural product of many social and economic forces at work in our society, of ignorance on the part of the lower classes, and of an appalling lack of communication between the various agencies and professionals involved.

Nevertheless, this scholarly and well-documented book will infuriate many psychiatrists, whom it pictures as victims of social prejudices which they, more than any other mortals, should have been able to shed. It will irritate classical Freudian psychoanalysts, who are portrayed as an ultraconservative group treating only the luxury class, as well as directive-organic psychiatrists, whom the authors chide for their disregard of Freud. It will alarm the medical profession, jealous of its prerogatives, by its call for a fresh look at the whole problem of mental illness in this country and by its appeal for the creation of a new profession.

Whoever knows the hardships involved when a member of his family needs psychiatric help, however—as one in ten of us will need during his lifetime—will have cause to rejoice at this comprehensive, lucid, thoroughly unbiased and thoroughly humane report on the state of the nation with regard to psychiatry.

AS A HEALTH PROBLEM, mental illness surpasses all others. Its victims occupy fifty-five per cent of all hospital beds; hundreds of thousands of others are cared for by private psychiatrists and clinics, or should be, and an estimated seven to eight million more Americans, though less seriously disturbed, could benefit from psychiatric help. To cope with all this there are only ten thousand psychiatrists, of whom only one thousand are psychoanalysts. A full analysis may cost up to $150 a week for several years; private hospitals cost at least $7,000 a year, and often more than $20,000 a year per "guest."

Dr. Redlich, who was trained in Vienna and might be considered a traitor to his class by some of his fellow analysts, is chairman of the department of psychiatry at Yale's School of Medicine. Dr. Hollingshead, who has long been concerned with the problem of social class, is a professor of sociology at Yale. Together they worked ten years on this book, with the help of a research grant from the National Institute of Mental Health. Their research was limited to the New Haven area (population 240,000) and of necessity to those mentally ill persons who were actually under psychiatric care (1,891). They had the cooperation of all local psychiatric agencies, of most private psychiatrists, and of multilingual teams of interviewers specially trained by Dr. Hollingshead.

New Haven's Five Classes

To divide New Haven into social classes, they graded its people according to area of residence, occupation, and education. Class I, the top 3.4 per cent of the community, consists of high-income business and professional leaders, both the old Yankee core group and the successful *arrivistes*. Class II, very status-conscious, hasn't quite arrived (nine per cent). Class III, representing 21.4 per cent of the population, is made up of employees—white-collar workers, technicians—as well as small businessmen with limited education (high school only) and little upward mobility. Class IV, the largest single group (48.5 per cent), consists of skilled manual workers, few of whom have completed high school, who take pride in their work and tend to stay in the class of their birth. The semi-skilled and unskilled workers who make up the remaining 17.7 per cent, or class V, are generally not unionized and know long periods of unemployment or underemployment; more than two-thirds of them live in crowded, disintegrating tenements with poor sanitation, and they have a definite antagonism toward authorities of any kind. Classes IV and V together form 66.2 per cent of the community. In keeping with

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the American dream, most New Havenites in most classes identify themselves as middle-class.

THE FIRST important finding in this study is that as one goes down the social scale, the proportion of psychotics shoots up. This is particularly true for class V, which produces at least twice as many psychotics, at each age level and in both sexes, as it should by comparison with its percentage of the population. When we come to treatment, therefore, we find a striking accumulation of chronic psychotics from classes IV and V in the public hospitals.

Many of these cases need never have become chronic. The oldest state hospital in New Haven, to which the majority of the area's psychotics are committed, has only one psychiatrist per 168 patients (in the Veterans Administration hospital and in most private hospitals the ratio is one to eight). Its wards for chronic patients are "permeated by the odor of sweat, urine, paraldehyde and, in the male wards, tobacco. . . . The visitor sees scores of aging men and women sitting idly in long dark hallways, pushing mops purposelessly, or trailing, like a flock of hungry chickens, behind the doctor when he walks through the wards. . . ."

Schizophrenia, which is nine times higher among class V patients than among class I, provides the clearest example of social inequalities in treatment. If the brief series of organic treatments usually given to lower-status schizophrenics in public hospitals is unsuccessful, the patient drifts to the back wards. There, isolated and convinced that nobody cares about him anyway, he regresses even further into a world of his own. "We have . . . every reason to believe that to expose schizophrenics to a 'back ward atmosphere' is the worst thing we can do to them," writes Dr. Redlich. "Rarely, however, do we see in the class I or II schizophrenic patients in private hospitals . . . deterioration comparable to what we see regularly in the chronic wards of the state hospitals."

In the past two years, the total number of chronic patients in state hospitals throughout the country has decreased slightly, theoretically because of the tranquilizing drugs, but perhaps because of the increased attention that went along with them. To learn whether these drugs would affect their statistics, the authors made a detailed follow-up study of New Haven patients recently and found no such trend. The drugs were by no means emptying New Haven's mental hospitals, and class differences in the treatment of psychotics were not being reduced.

Neurotics present a different problem. As everyone knows, the upper classes have the largest proportion of them—or at least of neurotics who receive treatment. Yet there are curious differences in symptoms: "The class V neurotic behaves badly, the class IV neurotic aches physically, the class III patient defends fearfully, and the class I-II patient is dissatisfied with himself. Thus we have a psychosocial pattern of community dislocation, a 'body language' of pain and malfunction, social anxiety, and verbal symbolic dislocation, all called neurosis." The differences in treatment follow the pattern established with psychotics: psychoanalysis and analytic psychotherapy are reserved for patients from classes I and II; lower-class neurotics who manage to get help receive short-term directive therapy. This remains true even in clinics where patients are seen regardless of ability to pay.

Pills, 'Needles,' or 'Rays'

At the root of all this discrimination lie enormous differences in attitude. Mental patients from classes IV and V seldom begin treatment voluntarily; usually they are brought in by the police and the courts, and they rarely get over their initial mistrust. In these classes, especially in class V, the worst thing that can happen to a person is to be labeled "bugs," "crazy," or "nuts"—attributed to such factors as "bad blood" or "too much booze"—and much abnormal behavior is simply not recognized as such. However, if the authorities take over and sentence a man to the "bughouse," the family tends to cast him off. (About sixty thousand patients in mental hospitals today cannot be discharged, although they are well, because they have no place to go.) Once in treatment, lower-class patients fail to grasp how talking can help them; they want something tangible, like pills, "needles," or "rays." They have little desire to get better, especially if their families have abandoned them. Furthermore, their moral standards are so different from those of the psychiatrist (What's wrong with beating my wife?) that half the time they cannot understand what the psychiatrist is talking about, even when they succeed in understanding his vocabulary.

The psychiatrist, on the other hand, is frequently irritated by his lower-class patients' inability to think in his terms. He is frustrated by desperate social conditions that make it doubly difficult, if not impossible, for his patients to improve. He is repelled by the crude language, the outbursts of violence, the apathetic dependency. Sometimes he is also upset by the puzzling sexual mores. Since good communication is a crucial factor in psychotherapy, such lack of understanding has disastrous results, especially with relatively untrained psychiatrists—who are the ones most likely to be assigned the patients from classes IV and V.

No wonder that psychiatrists who know they are dispensing a scarce commodity try to select "good" patients, with whom they can expect rapid improvement. "We are not sure what attributes a good patient must have," the two professors write ironically, "but they include sensitivity, intelligence, social and intellectual standards similar to the psychiatrist's, and will to do one's best, a desire to improve one's personality and status in life, youth, attractiveness, and charm."

WISHING to improve one's status in life seems particularly relevant to good rapport with one's psychiatrist. In its dispassionate look at psychiatrists as a social group—which makes up some of the more rewarding pages in this book—the study points to upward mobility as this group's dominant characteristic. It also shows the New Haven psychiatrists split into two hostile factions: those with analytic and psychological orientation (A-P), and those who may be called directive-organic (D-O). The A-P group includes the classical psychoanalysts, who belong to an exclusive Psychoanalytic Insti-

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tute, and those who wish they did; its members may or may not use a couch, but they always wear street clothes, as opposed to the D-Os' white coats; most of them (eighty-three per cent) come from Jewish homes, although more than half have no religious affiliation today; fifty-eight per cent are first- or second-generation Americans; they tend to be "inner-oriented" and introspective. The D-O group gives medical examinations, uses drugs and electroshock, actively advises course of behavior, and never uses a couch; its members charge less, keep sessions down to fifteen or thirty minutes once a week or once a month, and end up earning more than their A-P colleagues (averaging about $25,000 a year). Many of them are clustered around the state hospitals; forty-four per cent come from old American stock, and seventy-five per cent are of Protestant origin; they deny the existence of social classes in their area, stress practical obstacles that must be overcome, and take an active part in community activities. These factions simply ignore each other; they read different journals and belong to different organizations. About the only thing they have in common is their inclusion in class I.

The Need for a New Dimension

The authors "hope and predict" that such divisions will not last, that a single scientific psychiatry will emerge, and that in the future another dimension will be added to it: that of sociology. As a medical specialty, psychiatry has been strongly influenced by the biological sciences. Late in his career Freud began to consider how the individual's relationship to his surroundings affected his personality development, thus laying the foundation for modern ego psychology. But he never paid much attention to the implications of social class, and with a few exceptions like Erich Fromm and Erik Erikson, neither did his followers. This book is one of the rare attempts to reconcile the viewpoints of psychiatrist and sociologist.

In today's society such reconciliation is urgent because the psychiatrist is becoming "a major troubleshooter" for the community. He comes in where the traditional agencies overlap. For instance, while delinquency is theoretically handled by the police, poverty by public and private welfare agencies, and "the personal crises that society defines as illness" by medical institutions, the psychiatrist is often asked to solve problems that include several of these social dysfunctions. His role toward the established agencies, however, is still unclear; the same action may be judged disturbed, delinquent, or merely eccentric, depending upon who sees it. The whole field is still in a stage of transition. Meanwhile, as psychiatry finds new outlets and the public learns more about its uses, the one clear fact that must be faced is the desperate shortage of psychiatrists.

HERE OUR AUTHORS make a revolutionary suggestion: Since with present methods the nation will never be able to provide psychiatric treatment for more than a small fraction of the people who need it, they would have us try new methods of training psychotherapists. "Why should a nonmedical problem, such as emotional re-education in work and family life, remain the domain preempted by the medical profession?," they ask, defying the combined forces of the American Medical Association, the Psychiatric Association, and the American Psychoanalytic Association. "Why should we not train a new professional specialist? . . . Therapies which demand basic medical knowledge should remain the prerogative of the medical profession, but outside of this medical orbit, psychiatrists and medical analysts have little right to block attempts to train an adequate number of therapists to do the job our society needs. The public would get used to such a profession, and the profession, in due time, would develop the sense of responsibility and regard for human welfare and dignity which have rewarded the medical profession with such high prestige in our society."

This is probably the first time that a medical man as highly regarded as Dr. Redlich has had the courage to go on record and say this. The problem of lay therapists—who are recognized in several foreign countries, and, if trained at recognized institutes, are beginning to be licensed for limited work in some states—invariably arouses bitter emotions among all the professionals concerned. It is a field where angels fear to tread.

In treading there, this study notes that a young man who wants to become a psychoanalyst today must first pay the whole cost of a medical education, and then an additional $20,000 for psychoanalytic training. Obviously, if psychoanalysis is to be made generally available, shorter and cheaper methods must be found somehow.

Many years ago, in a prophetic passage, Freud wrote that "At some time or other the conscience of the community will awake and admonish it that the poor man has just as much right to help for his mind as he now has to the surgeon's means of saving his life; and that the neuroses menace the health of a people no less than tuberculosis, and can be left as little as the latter to the feeble handling of individuals. . . . It may be a long time before the State regards this as an urgent duty. . . . some time or other, however, it must come. The task will then arise for us to adapt our technique to the new conditions. . . . Possibly, we may often be able to achieve something if we combine aid to the mind with material support. It is very probable, too, that the application of our therapy to large numbers will compel us to alloy the pure gold of analysis plentifully with the copper of direct suggestion . . ."

WHAT PSYCHIATRY'S final alloy will be, even these courageous authors cannot predict. They do insist, however, that objective research must be started on a large scale to evaluate all existing therapeutic techniques, including analysis, the tranquilizing drugs, and therapy, for "no treatment . . . in the long run can be accepted on faith or on the unsubstantiated claims of its protagonists." At the same time, psychiatric wards and clinics in general hospitals, which are geared to treatment rather than to custody, must prepare to take over more of the functions of today's state hospital, doomed to go the way of the debtors' prison. And who can argue with their statement, made only half in jest, that what America needs today is "a good five-dollar psychotherapist"?

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The Historian as Reporter: Edmund Wilson and the 1930's

ALFRED KAZIN

One of the many things that I miss in American writing today is the frankly "literary" reportage of national events that used to be done by writers like Theodore Dreiser, H. L. Mencken, John Dos Passos, Edmund Wilson. One reason for the decline of this kind of journalism is the assumption by writers that there is nothing to investigate, that ours is the dead calm that comes after or between wars, that the literary man on a news story belongs only to a blazing time of troubles. The younger writers complain that they are too far from the peaks of power to be able to say what is really happening. Some of the writers who came out of the 1930's have reacted so sharply against their youthful radicalism that they now have a vested interest in contentment. The only Victorians left in the world today are the exhausted, guilt-ridden, tediously accommodating ex-radicals who want peace at any price. Some years ago an English magazine edited by such intellectuals announced in its very first issue that the mood of the present period could be summed up as "After the Apocalypse." This was on the eve of the H-bomb, the revolts in Eastern Germany, Poland, Hungary, and the intercontinental ballistic missile; but veterans of the 1930's, as we know from the example of Whittaker Chambers and how many other ex-revolutionaries, project their sense of depletion into the world itself.

Still, it cannot be denied that writers turn to reportage in times that are warlike—times when issues are wholly on the surface, when society is visibly in flux, when there are disturbing social tensions which everyone feels in his own life. The 1930's, an era of incessant social violence, depression, revolution, war, lent themselves to reporting because writers felt themselves carried along by history. So much happened in the 1930's, from the depression to another world war, from Roosevelt to Hitler, from the Japanese attack on Manchuria to the Spanish Civil War, that it can be said of a great many writers that nothing has happened to them since. If the nineteenth century did not end until 1914, the twentieth did not fully begin until the 1930's, for it was then that we began to see even in our innocent and long-protected country the onset of the all-powerful state, the security police, the governmental manipulation of mass opinion, the establishment of the "common man" as an absolute good—all of which have become so much part of our lives, especially since 1945, that we no longer recognize how much we have changed. But in the 1930's all these things emerged out of the unexpressed admission that the crisis was permanent and uncontrollable; in America, virtually the last symbol of pure capitalism, one could see the old order of ideas actually disintegrating, while millions of people sought salvation from the welfare state, Communism, Father Coughlin, Dr. Townsend, Huey Long. And if this continuing ferment made so many writers turn to reportage, so there arose, under the whiplash of now unbelievable despair, that dependence on the state which by now has made the state the only loyalty that people profess.

But we are all wise after the event. The 1930's were not only a fearful beginning to our characteristic mid-century world but an immediate shock; while a great many people understandably lost their heads, no one now can admit it—one is supposed to have looked at fifteen millions unemployed, the country desperate, Hitlerism and fascism overriding Europe, without feeling anything. The tragedy of so many radicals of the 1930's is precisely that they believed in justice, in freedom, in co-operation. They were not prepared for politics as tragedy; Americans so rarely are. It is easier to rewrite history now, to portray Franklin Roosevelt as more calculating than he really was. So the New Deal appears, in the works of John T. Flynn, Whittaker Chambers, James Burnham, as planned, theoretical, coherent; and the picture becomes really grotesque in the last works of Charles A. Beard, who saw Roosevelt tricking the Japanese into attacking at Pearl Harbor, so that the United States would have an excuse for coming to the aid of the British Empire.

Such interpretations of the New Deal show a remarkable forgetfulness both of the mass suffering which no government during the 1930's could entirely have overlooked and of the actual confusion, amazement, and powerlessness of those in office. If the 1930's mark the beginning of the contemporary history—the century of mass society—it is because in the 1930's anyone could apply to society Henry Adams's saying that modern man has mounted science and is run away with. With the 1930's, one could see in force the unavailingness of intelligence and good will in a world where political order is continually flying apart under the pressure from ideological new states. Men like Roosevelt, who fundamentally lacked ideas, were able to give the impres-

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sion that they were planning or plotting a new society, when actually their greatest gift was one of charismatic leadership, the ability to hold up images of stability and national tradition during the storm.

A Personal Chronicle

It is this quality of flux, of storm, of violent change, that Edmund Wilson has summoned back so vividly in *The American Earthquake* (Doubleday, $6), a literary expansion of his articles from the *New Republic* about the 1920's and his book reportage of the depression.

It may be that the impression of chaos and intellectual helplessness that Wilson ascribes to the New Deal appeals more to the literary imagination than it does to political historians. Arthur Schlesinger, Jr.'s, recent book on the background of the New Deal (*The Age of Roosevelt: The Crisis of the Old Order; 1919-1933*) presents a picture of intellectual foresight which Wilson, drawing on his actual writings in the 1930's, obviously does not share. And perhaps the gift for seizing and holding personal impressions, the capacity for swift observations and revealing contrasts, gives Wilson an oversensitized capacity for descriptions of social change. Writers like Wilson, with their instant feeling for the literary image that will convey the feeling of social crisis, for the scene that will instantly evoke an historical moment, are so strong on history as literature, on swift and brilliant passagework, that they tend to impress upon us, as Carlyle does, a picture of history as a series of picturesque accidents. The stream of time bursts into iridescent foam for a paragraph or two, then retires into brutal inconsequence again.

But on the other hand, Wilson's chronicle is so unflinchingly personal, it presents so dramatically the confrontation of the period by a mind obviously unused to social ugliness, that it catches perfectly the revolutionary and unsettling impact of the 1930's on those who were least suited to it. The shock of the times comes through in the reactions of someone like Wilson, whose instincts are always for culture and tradition, and who never ceases to think of himself as an unattached man even when he comes closest to Marxism. It is the radicals who committed themselves intellectually who now have to revise history, for it is themselves that they have to disengage from the past. Similarly, it was never the "proletarian" novelists who caught the drama of the 1930's—they lost themselves in the general hysteria. Much of the Communist writing done in the 1930's, by people who were honest enough but who gave away such brains as they had, now looks like the fever chart of a patient *in extremis*. Such writers are now wrecks of the 1930's, writers who fell to pieces under the last disillusioning blow of the Soviet pact with Hitler, precisely because they had no culture to abdicate from, no wit to surrender. The pseudo science of Marxism gave them all the ideas they ever had, worked on them like strong drink; and their personal confusion was stepped up by incessant political manipulation and propaganda. It was precisely these Communist writers, who saw the 1930's as a time when everything was breaking up and who deliriously joined in the *Götterdämmerung* of "bourgeois" values, who became the real victims of the period. It was not a lack of integrity that doomed so many of these writers. It was a lack of background and perspective, an inability to see that their movement, too, would have its natural and inevitable end.

An Artist at Work

Wilson's cultural imagination saved him from this loss of perspective. If anything, he had too much of it, and his extraordinary gift for turning every assignment into a superb literary article is a symbol of his inability to lose himself, as many writers did, in a purely human situation. The reins are always tight, and the horses always go the same way. On the other hand, Wilson's detachment certainly never made him incurious. The secret of his durability as a writer is his patient, arduous effort to assimilate, to clarify for himself and for others, subjects from which he feels excluded by temperament. The same hard-won intellectual triumph that as an agnostic he gets out of the Dead Sea Scrolls Wilson used to get, also as a bystander, out of descriptions of the Ziegfeld Follies, police beating up Communist marchers at New York City Hall, the Scottsboro case, the career of Henry Ford, the miseries of depression Chicago. Amid the laziest minds in the world, he is the most Puritanical of intellectual students, the most exacting in the correctness of his language and his learning.

Unsympathetic critics like to portray Wilson as a popular writer who sacrifices the ambiguity and complexity of his subjects. In truth, all

his strength comes from the fact that he seeks to understand, to know; and it is his habit of willed attention, of strained concentration, that explains the exciting luminousness and tension of his prose.

Wilson is not a reporter but a lit-

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erary artist driven by historical imagination—like Henry Adams and Carlyle. Such writers are lightning-quick to see the many metamorphoses of modern man. In Europe, where the succession and contrast of different epochs can be seen on every hand, writers who appeal to the historical imagination can be read for their merit as artists. But in this country, where we are likely to overvalue single traditions as such but to overlook the beauty of history itself, the creative side of such writers is unappreciated. Wilson's sense of historical contrast is documented entirely from his own life and that of his family in relation to America. The points of the compass for him are "the old stone house" of his ancestors in upstate New York that he describes so movingly in this book; New York, the great symbol of the cosmopolitan 1920's, a city that he always describes with distrust; and the ancient greatness embodied in Lincoln.

ONLY SOMEONE who has read much of this old material before can recognize how fine a work of art Wilson has made out of his records of the 1920's and 1930's—based always on the overriding fact of American instability. To see this as coldly as Wilson does, without for a moment allowing oneself to become cold to America, is to have the gift of perspective. When Wilson writes about a buccaneer of the 1920's, "Sunshine Charlie" Mitchell of the National City Bank, he notes that "the boom produced its own human type, with its own peculiar characteristics." When he writes about "the old stone house" in Talcottville, New York, he writes with appreciation of the old farmers that "they were very impressive people, the survivors of a sovereign race who had owned their own pastures and fields and governed their own community."

The section on the solitaries in his family significantly ends with a tribute to Herndon's unsentimental biography of Lincoln, and when Wilson writes about Lincoln, his prose expands to an uncontrollable emotion and we understand why, in the face of much misery, so much helplessness, thinking of Lincoln inspires him "with a kind of

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awe—I can hardly bear the thought of Lincoln."

If the historical imagination lives on metamorphosis, it expresses itself as personal impressions. Wilson writes cultural reminiscences as novelists and dramatists write scenes and dialogue. His strong suit is never ideas as such (any more than ideas as such were the strength of Carlyle or, despite his pretensions to philosophy, of Henry Adams); the end of the book, with its halfhearted approval of Beard's thesis on the war, simply emphasizes Wilson's stubborn and romantic isolationism. What makes Wilson's reporting good is the impression of actual experience brought to white heat on the page; it is the re-creation of a scene that relates Wilson to history, not the significance of history in itself. Wilson's writing depends entirely on the strength and flexibility of his style, and its unusual quality lies in the coupling of his intellectual tense style with the lower depths, the city junk heaps and bread lines, the strikes and demonstrations, the agony of mass fear.

The subtler achievement of the book is in the rapid succession of these sketches, which are run together to create a sense of history in motion. In Wilson, reportage becomes a series of impressions united only by the writer's temperament. Like all writing that is fundamentally personal, it depends almost too much on the writer's spirits, his wit, his virtuosity of style. Once the tone flags, the whole threatens to become commonplace. This is what above all things it dare not become, since it is so close to life that only the personality of the writer keeps it from relapsing into meaninglessness. Nothing in such a book dare appear in its objective crudity; everything must be assimilated by imagination. Nothing is held too long, for when the attention is fixed so sharply on cultural detail, it may easily tire, and in any event, the essential point has usually been made swiftly. But the assembling of details, the movement of ideas—these give us the orbit, the "spread" of life in a particular time, the picture of history behaving organically, through a hundred filaments and cells of the social body, lighting up together.

A Problem No Parliament Can Solve

NORA SAYRE

GIVE ME YESTERDAY, by W. MacQueen-Pope. *Hutchinson.* (Available in the United States from the British Book Centre, 122 East 55th Street, New York 22: *$4.50.*)

MEMOIRS OF A PUBLIC BABY, by Philip O'Connor. *Faber and Faber.* (British Book Centre: *$4.*)

Britain is loudly criticized these days—particularly by the British. Read together, these two autobiographies, which have kindled excited attention here in Britain, give a clue to two of the more prevalent brands of discontent.

Mr. MacQueen-Pope is a self-labeled Angry Old Man of sixty-nine. He represents Conservatism, the middle class, the vanished Empire. He detests almost everything that has happened since 1914. He wrathfully selects two principal causes for the decay of contemporary Britain: socialism and the internal-combustion engine. "The elimination of distance is the most fatal thing that ever happened to mankind." The engine has even weakened religion, "by making the weekend a time for pleasure-trips in the car, and not for time in churches and chapels." In the last century, only the rich had time for holidays; today all classes may "get up to mischief." But the author is at least pleased to note that few of the modern proletariat enjoy their vacations. Yet he is proud of the way they sit through pasty meals in grim resort hotels, again demonstrating the British capacity for endurance.

Mr. MacQueen-Pope insists that the welfare state makes people lazy: "Down with endeavor, down with incentive—let us all be mediocre. That is the democratic idea." According to him, socialism means full wages for poor service. He wants the Victorian "gospel of work" revived—particularly for the lower classes and for children.

Sneering at the hosts of bespectacled kids who, he claims, have been blinded by television, he apparently derives a sturdy pride from the fact that few children of the nineteenth century ever visited oculists. Of course, the mortality rate was higher than it is today, but "those who survived did so because they were strong. It was perhaps the survival of the fittest, and that may not be a bad idea after all." Furthermore, love is "weakened now that the sexes have equality." The weather used to be better, too.

Yet the more Mr. MacQueen-Pope exalts colonialism, the cast-iron Victorian family, low wages, obsequious cabmen, tight boots, and hip baths of his period, the more appalling it sounds. And from this description of yesterday's normal citizen we can see why social change comes slowly in Britain: "He believed his country the greatest in the world and also that he belonged to the finest race in the world. He was treated with respect by all foreigners because he was an Englishman. That respect might have been based on fear . . . and they probably did not like him at all. That did not worry him. He was an Englishman."

Look at Me! Look at Me!

Mr. O'Connor's *Memoirs of a Public Baby* reads like a rude reply to *Give Me Yesterday*. Mr. O'Connor is almost forty; he has been a Communist, a mental patient, a surrealist, a Catholic, an alcoholic, a mystic, a tramp. His father was Irish, his mother part Burmese. He was raised in Soho cellars, in flyspecked hotels, sometimes parked with a peasant family in France. He was dropped on his head at three; at fourteen, he put that head in a gas oven. He learned early to hate the English middle class, and was "brought up to believe in the superiority of worldly failure." He loved *The Gold Rush;* Chaplin "justified my ways because he showed how sensible, logical behavior led to confusion, how simple people got into a mess and how

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scoundrels have the best haircuts and incomes."

Soon he was wallowing in the self-conscious protest of the 1930's—painting, orating in Hyde Park, writing "THE GREAT UNCONSCIOUS IS DIVINE" on lavatory walls. He was an intentional parasite, glorying in his ability to refuse all responsibilities. "I bought musical instruments, a saxophone, guitar, piano and percussion set, and pummelled away on everything. I was obsessed by my 'genius,' which I treated as a hot liquor to be expectorated on the world to its advantage."

The wildness of Mr. O'Connor's grammar and metaphors makes long passages of his book incomprehensible. Yet his memoirs are valuable as an account of how the self-destroyers live. There is boredom between hangovers and bouts of madness. Worse still, there's a frightful dependence on the outside world: the well-washed people must come to look and be shocked, for Bohemia is pointless if private. "To impassion an Englishman is to disintegrate him: the signs of this were the disgusting disembowelments that the orthodox strains conditioned and allowed in the bohemian districts."

Mr. O'Connor's autobiography was written to assure us of two things. First, a "baby" like himself personifies "a criticism of a competitive social system." So he fights back by exploiting his "chronic lack of competitive powers," principally by refusing to make money or even to make himself understood. He also refuses to expect that any experience will be satisfying. Mr. O'Connor's second message is that he's sorry. He would really like to get along with society at large.

HIS STORY is not impressive as a sign of the times—surely it would have been the same before 1900. What is revealing is the tremendous reception of this book. Stephen Spender writes an enthusiastic introduction; Cyril Connolly, Philip Toynbee, and John Lehmann shower it with applause. It has been called a masterpiece, and copies are selling fast.

Mr. O'Connor is apparently saying just what many people want to hear in England, 1958. He gratifies the heroic-misfit cult, which rejects all

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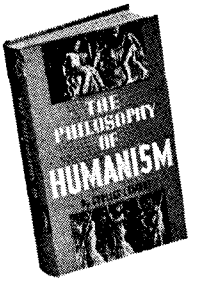

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the traditions that Mr. MacQueen-Pope adores. It's easy to see why warmed-over Empire politics and rigid class barriers are being attacked. But Mr. O'Connor and the Angry Young Men do not represent a class upheaval. For they scorn with equal vehemence the Tories, the welfare state, the charlady who votes Conservative, and the Labour peer. They may cry, "England's intolerable!" But they seem to mean, "Nobody loves me." That's a problem no Parliament will ever solve. «»

Cruising with Kapitän Krancke

AL NEWMAN

POCKET BATTLESHIP, by Admiral Theodor Krancke and H. J. Brennecke. *Norton. $3.95.*

On October 23, 1940, the pocket battleship *Admiral Scheer* left her Baltic port to slink out into the Atlantic via the Kiel Canal and Norway, then through the Denmark Strait between Iceland and Greenland. So began a commerce-raiding foray that took her as far south as the Roaring Forties and as far east as the Indian Ocean north of Madagascar. The following April 1 she returned home unscathed and all but undetected, having steamed—or more accurately, Dieseled—more than fifty thousand miles and sunk or seized twenty-one Allied ships of some 150,000 gross registered tons. *Pocket Battleship* is the story of that outstandingly successful cruise as told by the *Scheer's* commander, then Kapitän zur See Krancke, and his assistant.

IT IS A little-known chronicle. Ironically, the single action of the voyage that will live as long as ships still sail belongs to the Royal Navy. The *Scheer's* second victim of the long trip was an auxiliary cruiser named the *Jervis Bay,* and her captain, Fogarty Fegan, R.N., won a posthumous Victoria Cross by flinging his outgunned, thin-skinned converted liner between the powerful German and a large convoy out of Halifax. Fegan was a hissing gander attacking a hungry wolf to defend a flock of geese, and his fate was swift and sure and dismal. However, the time he bought so dearly allowed thirty of the thirty-eight merchantmen in the convoy to scatter and escape under cover of smoke and darkness.

From the standpoint of gunfire, the rest of the *Scheer's* voyage was tamer, because Allied shipping in the South Atlantic and Indian Oceans usually sailed unescorted, and seldom did a victim try conclusions against the German's six eleven-inch rifles with its single three- or four-incher mounted aft. The *Altmark,* which had kept the *Graf Spee's* tanks topped with Diesel fuel until the *Spee's* encounter with three British cruisers and subsequent scuttling near Montevideo in December, 1939, performed the same function for the *Spee's* sister pocket battleship. And near the equator outward bound, the *Scheer* on December 17 captured the refrigerator ship *Duquesa* loaded with nine thousand tons of meat and nine hundred tons of eggs. Krancke put a prize crew aboard and sent her off to a secret German naval rendezvous in the South Atlantic where, for a couple of months, she served raiders, prizes, and supply ships as a "floating delicatessen."

The *Admiral Scheer's* narrowest escape was from one of her own torpedoes. Having intercepted and captured the British freighter *Stanpark,* Krancke dispatched a boarding party to take off her crew and sink her with demolition charges. When the *Stanpark* failed to go down quickly and instead blazed like a telltale beacon, the *Scheer's* skipper ordered her finished off with a torpedo. With the first shot, his torpedo officer managed to miss at a range of four hundred yards—a noteworthy feat. In the general flap attending the launching of the second, the returning boarding party seems to have been momentarily forgotten; its boat was crossing the starboard bow when the tube on the deck just above was fired. The torpedo's propeller and rudder struck the gunwale of the cutter. With its steering mechanism out of whack, the tin fish took a short run toward the target, then turned and headed straight back toward the *Scheer.* Twenty yards short of a direct hit amidships it suddenly dived and did not reappear.

Krancke was saved for an unkinder fate. As a reward for his outstanding success, he won the Knight's Cross of the Iron Cross, was promoted Vizeadmiral, and became the navy's liaison officer at Hitler's headquarters. That was like the gift or a richly embroidered hair shirt, for as luck ran out and the overwhelming odds against the small German surface fleet began to run true, Krancke had to listen to the Führer's tirades against his colleagues' "cowardice," as well as Göring-inspired threats to scrap the navy's remaining big ships out of hand. As for the *Scheer,* she never attempted the Atlantic again: a British air raid finally capsized her in harbor April 9, 1945.

UNFORTUNATELY, *Pocket Battleship* suffers from bombastic narration, sloppy editing, and a translation that can only be characterized as wretched. The routine lowering of a boat in the North Atlantic is made a heroic operation of war, the authors pointing out that some of the rollers under the boat's keel "had already travelled hundreds of miles before [they] got there." The translator, mercifully unnamed, undoubtedly is responsible for "knots an hour," which is fairly standard throughout the book, and such monstrosities as "The *Lützow,* renamed the *Deutschland* . . ." (it was the other way around, for the good reason that Hitler did not wish to run the risk of having a ship named the *Deutschland* sunk), and radar that could see through water and detect submerged rocks, so help me. These are almost certainly the fault of the British publisher, but Norton has added its own touch: the photograph of a broadsiding warship on the back of the dust jacket is not the *Scheer* at all, but the *Bismarck* in action against H.M.S. *Hood.*

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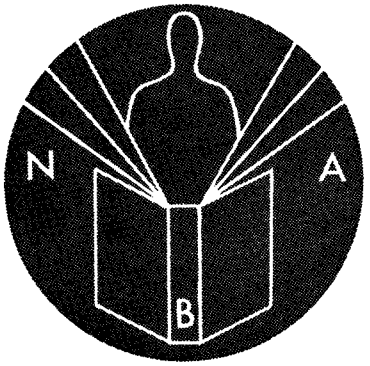

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Lord Calvert suggests a choice of the world's <u>three</u> great whiskies—tonight

THERE comes a time in every day when a man should be host to himself.

Hence we present this noble *choice* of nightcap. A great Scotch. A great Canadian. And the greatest of all *American* whiskies —our own LORD CALVERT.

This is far from self-indulgence. And, if it were, who would have a better right?

LORD CALVERT. AMERICAN BLENDED WHISKEY. 86 PROOF, 65% GRAIN NEUTRAL SPIRITS, CALVERT DIST. CO., N.Y.C.

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